

# Public Audit and Post-Legislative Scrutiny Committee

## National Fraud Initiative

### Submission from the Scottish Government

The Scottish Government has a zero tolerance approach to fraud and our participation in the NFI exercise forms an important part of our collaborative approach with the wider public sector. Working in partnership is a key objective in our approach to counter fraud and the Scottish Counter Fraud Forum, with its cross-sector membership including local government, public bodies and Audit Scotland, is a vehicle through which we are working to improve how we protect public resources now and in the future.

We recognise the contribution of the NFI as a major counter fraud exercise in detecting and preventing fraud and error as highlighted in the latest NFI report. We continue to use the NFI to review the robustness of our financial data and effectiveness of our systems. Complimentary to the broader purpose of the NFI the Scottish Government is taking a number of other actions, with an enhanced focus on prevention and I have provided further details in the attached **annex**.

The Scottish Government supports the data sharing opportunity the statutory footing of the NFI provides. This legal gateway benefits public bodies in enabling sharing of data across organisational boundaries highlighting our priority to prevent fraud by removing silos, working across organisations to protect public resources. Through our engagement with the wider public sector we will continue to encourage active participation in the NFI to ensure NHS, central and local government bodies can benefit from sharing data to combat fraud and error.

Scottish Government Finance officials are working with the Cabinet Office through the NFI Steering Group on the work they are leading to improve the NFI products and performance metrics. This improvement work aims to ensure NFI tools continue to offer the opportunity for effective participation by bodies and address the increasingly sophisticated approaches of fraudsters. We are engaging with this review in collaboration with members of the Counter Fraud Forum, offering suggested improvements relating to how the NFI tools can be developed to offer more real time data sharing as well as enable improved referrals when matches are identified.

The Scottish Government will continue to participate in this work to explore how best the NFI tools can be developed to assist in targeting emerging fraud risks and increase effective participation for public sector organisations in support of the wider prevention agenda.

I hope this information is helpful in supporting the Committee's work.

Sincerely,

**GORDON WALES**  
**ACTING DIRECTOR GENERAL FINANCE**

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#### Annex

#### Scottish Government Prevention Activity

1. The Scottish Government, in partnership with the Counter Fraud Forum produced the first pan-Scotland, strategic approach to fighting fraud, [Protecting Public Resources](#). The strategy is designed to **raise awareness of the continued importance of fighting fraud, bribery and corruption**; provide a basis to **improve fraud action plans and strategies in individual organisations**; and **ensure a consistent preventative approach is being taken to counter fraud** across Scotland.

2. The Forum is a group chaired by the Scottish Government's counter fraud champion, the Director of Procurement & Commercial, and includes membership from COSLA, DWP, Trading Standards, Scottish Local Authorities Investigators Group & Chief Internal Auditors, **Audit Scotland**, the Crown Office and Procurator Fiscal Service, Police Scotland, National Services Scotland (NHS), Student Awards Agency Scotland and the Scottish Public Pensions Agency – with the aim of improving counter fraud across the public sector. The Forum also has links with the Serious and Organised Crime Taskforce ensuring consistency in approaches.

3. **An effective approach to counter fraud is an important element of maintaining efficiency in the face of continued austerity, ensuring that public money goes to front line services.** The Strategy is designed to support our future delivery of public services through emphasising:

- a decisive shift towards **prevention**
- **greater integration** and partnership working
- **workforce development** through investment in the skills and capacity
- a sharp focus on **performance**

4. The Scottish Government embodies this approach in the steps taken to raise awareness levels and collaboration in the fight against fraud throughout the organisation and the Scottish public sector that includes:

- **Supporting the work of the NFI** to review the robustness of our financial data and effectiveness of our systems;
- Wider engagement with the Scottish public sector through our annual Counter Fraud Conference and awareness events which provide the opportunity to network and learn from one another;
- Sharing our approach and supporting the prevention agenda through the Fraud, Error and Debt Team within Cabinet Office, participating in cross-government groups such as the Counter Fraud Champions Network and NFI Steering Group;
- The development of a partnership agreement with NHS Counter Fraud Services to use its counter fraud expertise with the view to improving our capacity to manage and mitigate risks of fraud, bribery and corruption;
- Support of the CIPFA Fraud and Corruption Tracker through promoting participation by public bodies and local government in Scotland;

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- Exploring data sharing opportunities and assessing training and knowledge gaps across the public sector through the Counter Fraud Forum.
5. These activities are also in support of the [Open Government Partnership](#) commitment:

**Place Scotland as a leader in identifying and preventing corruption and the risk of fraud and corruption in the public sector.** Members of the Counter Fraud Forum have contributed specific actions by their organisation to ensure the ambition of the strategy and Open Government Partnership commitment are put into practice.