

Public Audit and Post-Legislative Scrutiny Committee

National Fraud Initiative

Submission from Fife Council

I refer to your request for comments on the Scottish Parliament's Public Audit and Post-legislative Scrutiny Committee's work on the benefits of putting the National Fraud Initiative on a statutory footing.

Fife Council welcomes this development, having been a keen participant in the NFI since its inception. The Council already has robust data matching and internal controls in place, and whilst participation in the NFI has not identified a large number or value of errors in Fife, it has given us access to additional sources of data and confirmation that our internal controls are working.

Increasing the number of bodies participating would improve the effectiveness of the exercise, but this has to be matched by ensuring the quality and integrity of the data. The use of suitable filters on the data to identify high quality matches maximises the best use of scarce resources.

With regard to the specific questions

1 What have been the benefits, financial and otherwise of putting the NFI on a statutory footing?

By putting participation on a statutory basis, it should ensure a wider participation and an increased pool of data that not only identifies instances of error or fraud but also gives assurance, where no error or fraud is found, that the Council's own internal controls are working.

Where error or fraud is identified, the existing internal controls can be revised and additional data matching carried out.

Being a national exercise, it reinforces the message that fraud will not be tolerated by reporting outcomes both locally and nationally. By doing so, it has a deterrent effect.

2 Could the legislation be strengthened in any way?

The legislation seems to have appropriate powers for Audit Scotland to demand data from the bodies that are within the remit of the Auditor General or the Accounts Commission. Audit Scotland could perhaps be more proactive in doing that.

3 Should participation in the NFI be improved? Are there any bodies who do not participate in the NFI who should do so?

The exercise could always be improved by increasing the number of bodies who participate. As experience is gained, additional data types and matches could be developed.

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4 Are there any other issues you would like to raise in connection to this particular part of the legislation?

Care will always have to be taken to ensure that the exercise does not place too onerous a commitment on those involved. Fife Council's experience to date is that our existing internal controls limit the number of matches that need to be investigated. We welcome Audit Scotland's soft touch approach to monitoring and reporting on our progress and outcomes at both a local and national level.