

Public Audit and Post-Legislative Scrutiny Committee

National Fraud Initiative

Submission from Highlands and Islands Enterprise

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# HIGHLANDS AND ISLANDS ENTERPRISE

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Written Evidence – National Fraud  
Initiative in Scotland

March 2017



Highlands and Islands Enterprise (HIE) is pleased to provide the following in response to the Public Audit and Post-legislative Committee's call for evidence and specific questions on Section 97 of the Criminal Justice and Licensing (Scotland) Act 2010 - the National Fraud Initiative.

- **What have been the benefits, financial and otherwise, of putting the National Fraud Initiative on a statutory footing?**

HIE has benefitted from taking part in the National Fraud Initiative through the ability to use an analytical function to analyse all our data and also being able to run comparisons with other bodies. This has highlighted some errors in our standing data on which we have been able to take corrective action. No fraudulent activity has been highlighted through our results from taking part in the initiative, however the additional assurance this exercise provides us with is invaluable. The links with other existing legislation, such as Data Protection ensure we can demonstrate that all data provided will be protected appropriately.

As internal staffing resources are limited, taking part in this exercise is vital in providing additional routes to identify highest risk data which we should focus on. This allows us to allocate and focus resource to review/investigate those matters which require attention and to provide assurance that our controls are working or identifying weaknesses on which corrective action can be taken.

Participation has also helped to raise awareness of Fraud within HIE at employee level and also at Board level as it is reported to our Audit Committee.

- **Could the legislation be strengthened in any way?**

There is a specific focus in the data which is required and in the guidance to providing matches to the local government sector which means there is a large volume of information which is irrelevant to HIE, e.g. council tax, housing payments.

- **Should participation in the National Fraud Initiative be improved? Are there any bodies who do not participate in the National Fraud Initiative who should do so?**

In the report provided by Audit Scotland for the previous exercise in 2014/15 it was noted that a number of bodies did not react promptly to matches which were provided. If it is mandatory for bodies to provide data for matching purposes then it should be mandatory to undertake the investigations once the matches have been provided but to allow individual organisational discretion as to how and what they focus effort on.

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

We have found it useful to report participation, results and follow up action to our Risk and Assurance Committee (equivalent to an Audit Committee) as part of our assurance and control arrangements.

Highlands and Islands Enterprise  
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