

National Fraud Initiative (NFI) - privacy notice

1. This broader description represents the full text privacy notice for individuals whose information is submitted to Audit Scotland for the purpose of the NFI in Scotland.

Audit Scotland data matching exercises

Introduction

2. Audit Scotland conducts data matching exercises to assist in the prevention and detection of fraud and other crime. This is one of the ways in which Audit Scotland meets its responsibility of promoting economy, efficiency and effectiveness in the use of public money.
3. Data matching involves comparing sets of data, such as the payroll or benefits records of a body, against other records held by the same or another body. The data is usually personal information. The data matching allows potentially fraudulent claims and payments to be identified but the inclusion of personal data within a data matching exercise does not mean that any specific individual is under suspicion. Where a match is found it indicates that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. The exercise can also help bodies to ensure that their records are up to date.
4. The processing of data by Audit Scotland (in practice the processing is undertaken by the Audit Commission on Audit Scotland's behalf) in a data matching exercise is carried out under the powers in Part 2A of the Public Finance and Accountability (Scotland) Act 2000. It does not require the consent of the individuals concerned under the Data Protection Act 1998.
5. All bodies participating in Audit Scotland's data matching exercises receive a report of matches that they should investigate, so as to detect instances of fraud, over- or under-payments and other errors, to take remedial action and update their records accordingly.
6. Since 2000, Audit Scotland's National Fraud Initiative (NFI) has led to the detection of fraud and overpayments totalling around £78 million. Across the UK, since 1996, all such exercises undertaken by the Audit Commission have led to the detection of fraud and overpayments totalling nearly £1 billion.

Legal basis

7. Audit Scotland conducts data matching exercises under its statutory powers in Part 2A of the Public Finance and Accountability (Scotland) Act 2000. Under these powers:
 - 7.1. Audit Scotland may carry out data matching exercises for the purpose of assisting in the prevention and detection of fraud or other crime and in the apprehension and prosecution of offenders (the 'permitted purposes')
 - 7.2. Audit Scotland may require certain persons to provide data for data matching exercises. These persons include all the bodies to which the Auditor General for Scotland (AGS) or

- the Accounts Commission appoints auditors, licensing boards, and officers, office holders and members of these bodies or boards
- 7.3. other persons or bodies may participate in Audit Scotland's data matching exercises on a voluntary basis. Where they do so, the statute states that there is no breach of confidentiality and generally removes other restrictions in providing the data to Audit Scotland
 - 7.4. the requirements of the Data Protection Act 1998 continue to apply
 - 7.5. Audit Scotland may disclose the results of data matching exercises where this assists the purpose of the matching (see 7.1) above), including disclosure to bodies that have provided the data and to the auditors appointed by the AGS and the Accounts Commission
 - 7.6. Audit Scotland may disclose both data provided for data matching and the results of data matching to the AGS, the Accounts Commission, the Audit Commission, or any of the other UK audit agencies specified in Section 26D of the Public Finance and Accountability (Scotland) Act 2000, for the purposes described at (7.1) above
 - 7.7. wrongful disclosure of data obtained for the purposes of data matching by any person is a criminal offence
 - 7.8. Audit Scotland may impose reasonable charges on any body participating in a data matching exercise
 - 7.9. Audit Scotland must prepare and publish a Code of Practice with respect to data matching exercises. All bodies conducting or participating in its data matching exercises, including Audit Scotland itself, must have regard to the Code
 - 7.10. Audit Scotland may report publicly on its data matching activities.

Bodies required to provide data for matching

8. Currently, Audit Scotland requires the following bodies to provide data for the NFI in Scotland:
 - Councils
 - Police Authorities
 - Fire and Rescue Authorities
 - Strathclyde Partnership for Transport (SPT)
 - Tayside Contracts (TC)
 - Health bodies
 - Scottish Public Pensions Agency (SPPA)
 - Student Awards Agency for Scotland (SAAS)
 - Other specified central government bodies (CG):
 - Care Inspectorate

- Creative Scotland
- Crown Office
- Disclosure Scotland
- Education Scotland
- Forest Enterprise (Scotland)
- Forestry Commission (Scotland)
- Highlands and Islands Enterprise
- Historic Scotland
- National Galleries of Scotland
- National Library of Scotland
- National Museums of Scotland
- National Records of Scotland
- Office of the Accountant in Bankruptcy
- Office of the Scottish Charity Regulator
- Police Complaints Commissioner for Scotland
- Registers of Scotland
- Risk Management Authority
- Royal Botanic Gardens Edinburgh
- Scottish Children's Reporter Administration
- Scottish Courts Service
- Scottish Crime and Drug Enforcement Agency
- Scottish Criminal Cases Review Commission
- Scottish Enterprise
- Scottish Environment Protection Agency
- Scottish Funding Council
- Scottish Government
- Scottish Housing Regulator
- Scottish Legal Aid Board
- Scottish Natural Heritage
- Scottish Parliamentary Corporate Body
- Scottish Police Services Authority
- Scottish Prison Service
- Scottish Public Pensions Agency
- Scottish Qualifications Authority
- Scottish Road Works Commissioner

- Scottish Water
- Skills Development Scotland
- sportscotland
- Student Awards Agency for Scotland
- The Crofting Commission
- Transport Scotland
- VisitScotland

9. In addition, the following firms engaged as audit providers by Audit Scotland currently provide their payroll data for matching on a voluntary basis:
- Scott-Moncrieff
 - Henderson Loggie
10. Audit Scotland also provides its own payroll data. Other Audit Scotland audit providers are also engaged by the Audit Commission and provide their data for NFI purposes to that body.

The data that is matched and the reasons for matching it

11. For information describing which data sets are matched by Audit Scotland and the purpose of each match please refer to the Audit Commission's website at <http://www.audit-commission.gov.uk/fraud/nfi/instructions/pages/default.aspx>, the Scottish guidance available on the same webpage as this notice and the table below which summarises the various match types for each participating organisation.

Code of Data Matching Practice

12. Data matching by Audit Scotland is subject to a Code of Data Matching Practice. This may also be found on the same webpage as this notice.

Further information

13. More details on Audit Scotland's data matching exercises, including national reports, other publications and guidance, may be found on the same web page as this notice.
14. Alternatively please contact the Senior Manager (Audit Strategy and NFI), Audit Scotland, 110 George Street, EDINBURGH, EH2 4LH; tel 0845 146 1010. Email enquiries should be addressed to info@audit-scotland.gov.uk quoting 'National Fraud Initiative' in the subject line.
15. More information about the UK National Fraud Initiative is available on the Audit Commission's web-site at <http://www.audit-commission.gov.uk/fraud/nfi/>

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The main match types and the organisations to which they apply (NFI 2012/13)

Match type	Councils	Police/Fire/ SPT/ TC	NHS/CG
Pensions Payroll to:			
• Deceased Persons	Y	Y	Y
• Payroll	Y	Y	Y
• Housing Benefits	Y	Y	Y
• Injury benefits		Y (police & fire)	
Deferred pensions to deceased persons	Y	Y	Y
Housing Benefits to :			
• Students	Y		
• Payroll	Y		
• Pensions Payroll	Y		
• Housing Benefits	Y		
• Housing Rents	Y		
• Right to buy	Y		
• Insurance	Y		
• Home Office (Immigration data)	Y		
• Licences	Y		
Payroll to :			
• Housing Benefits	Y	Y	Y
• Payroll	Y	Y	Y
• Pensions Payroll	Y	Y	Y
• Home Office	Y	Y	Y
Housing rents to:			
• Housing Rents	Y		
• Housing Benefits	Y		
• Right to buy	Y		
• Home office	Y		
Right to buy to:			
• Housing Benefit	Y		
• Housing Rents	Y		
• Right to Buy	Y		

Match type	Councils	Police/Fire/ SPT/ TC	NHS/CG
<ul style="list-style-type: none"> Home Office (Immigration data) 	Y		
Student Loans to: <ul style="list-style-type: none"> Home Office Deceased persons 			Y (SAAS) Y (SAAS)
Creditors to: <ul style="list-style-type: none"> Creditors Payroll 	Y Y	Y Y	Y Y
Insurance to insurance	Optional		
Private Residential Care Homes to deceased persons	Y		
Parking Permits to deceased persons	Y		
Blue badges to deceased persons	Y		
Concessionary travel permits to deceased persons	Y	Y (SPT)	
Council tax to electoral register	Y		
Licenses to Home Office (Immigration data)	Y		