

The National Fraud Initiative in Scotland 2022/23

Instructions for participants



 AUDIT SCOTLAND

Prepared for NFI participants
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Introduction

Background

1. Public bodies spend billions of pounds of taxpayers' money for the benefit of the Scottish population. Public spending systems are complex, and mistakes can happen. Some people also seek to exploit the systems and fraudulently obtain services and benefits to which they are not entitled.
2. Fraud does not recognise organisational or geographic boundaries. Sharing data allows organisations to match data held in different systems in their own organisation and held in other organisations.
3. The National Fraud Initiative (NFI) exercises significantly contribute to the security and transparency of public sector finances. [Public bodies'](#) participation in the NFI helps confirm that services are provided to the correct people and helps reduce fraud and error.
4. Audit Scotland, working closely with public bodies, their external auditors and the Cabinet Office, is commencing another major NFI data sharing and matching exercise for 2022/23.

Purpose

5. The National Fraud Initiative (NFI) is a data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. Audit Scotland's previous reports and other information on our [Counter- Fraud Hub](#) explain the exercise in more detail, including the governance arrangements. [The Code of Data Matching Practice](#) sets out further guidance on data governance, which all public bodies participating in data matching must have regard to.
6. Audit Scotland carries out data matching under [part 26A of the Public Finance and Accountability \(Scotland\) Act 2000](#) and [Section 97 of the Criminal Justice and Licensing Act 2010](#). This legislation provides that Audit Scotland may carry out data matching exercises or arrange for them to be carried out on its behalf. The Cabinet Office's NFI team carries out the matching work on our behalf and Audit Scotland prepares a report on the results.

The NFI contributes to the security and transparency of public sector finances

The Cabinet Office

7. The Cabinet Office processes the data for NFI in Scotland on behalf of Audit Scotland and provides its secure website and NFI application for participating bodies and auditors in Scotland to use.

8. The Cabinet Office prepares instructions for participants which are available on its website: <https://www.gov.uk/government/collections/national-fraud-initiative>

9. Scottish participants should refer to the instructions on the Cabinet Office website. Where arrangements in Scotland differ, or where the Cabinet Office's instructions do not adequately address Scottish arrangements, further guidance is provided in this document. In all other cases, the guidance on the Cabinet Office website applies to Scottish participants.

10. The Cabinet Office website includes a section on fees for NFI participants. Scottish bodies do not have to pay separate fees for the main NFI - the costs of participating in the two yearly NFI exercise are met through funding to Audit Scotland from the Scottish Parliament.

Key NFI roles in participating bodies

11. Each participating body in the NFI is required to identify people in two key roles:

- a Senior Responsible Officer (usually the Director of Finance). The role of the Senior Responsible Officer is to :
 - nominate a key contact
 - ensure the key contact has access to the matches, via the secure NFI web application, when they become available
 - ensure that the key contact fulfils all privacy notice requirements.
- a Key Contact. The role of the Key Contact is to:
 - fulfilling the organisation's privacy notice requirements – they should be in direct communication with their organisation's data protection officer or equivalent
 - ensuring that the data formats guidance and data specifications are followed
 - nominating appropriate users to upload data submissions, investigate the matches and act as the point of contact for other bodies about a match (preferred dataset contact)
 - coordinating and monitoring the overall exercise
 - ensuring that outcomes from the investigation of matches are recorded on the web application promptly and accurately.

This guidance

12. This document will be updated as required. Audit Scotland will notify Key Contacts in participating bodies when any changes are made.

New participants

13. New participants in the NFI should confirm the contact details of the Senior Responsible Officer for the NFI and Key Contact details to Audit Scotland. They should also record this information on the Cabinet Office's NFI web application. The Senior Responsible Officer, who will have received an email from Audit Scotland, should send the name, email address and telephone number of the Key Contact as described in the email.

14. The Key Contact will then need to set up appropriate users in their organisation to carry out the data upload, subsequent investigation of matches, and coordinate the investigations.

Timetable

15. The key dates for NFI 2022/23 are set out in [Exhibit 1](#).

Exhibit 1

NFI 2022/23 exercise timetable



By Friday 29th July 2022

The Cabinet Office publishes the 2022/23 NFI final data specifications and instructions.

[National Fraud Initiative: public-sector data specifications - GOV.UK \(www.gov.uk\)](#)

Between Wednesday 3rd August and Wednesday 31 August 2022

Key Contacts will log in to the 2022/23 web application Data File Upload (DFU), check the list of expected datasets is accurate and advise the NFI Helpdesk of any changes to the list by Wednesday 31 August 2022.

By Friday 30th September 2022

Participants submit privacy notice compliance returns in the NFI web application.

Between Friday 7th October and Friday 18 November 2022

Participants extract and submit 2022/23 NFI data to the NFI web application through the Data File Upload facility, in accordance with the data specifications. Data should be extracted from systems as at 30 September 2022 (unless otherwise stated in the data specification).

14th October 2022 onwards

The Cabinet Office NFI team sends automatically generated reminders to participants who have not submitted expected datasets.

Failure to submit all data promptly may result in some datasets being excluded from the matching process for the results release at the end of January.

From Monday 28 November 2022 to Friday 27th January 2023	Participants extract electoral register and council tax data for the 2022/23 CTSPD data matching exercise. The data is submitted via the NFI ReCheck Data File Upload. The matches will be available immediately after both datasets are uploaded.
From Thursday 26 January 2023	The Cabinet Office NFI team makes the 2022/23 NFI exercise matches available for investigation by participating bodies. The Cabinet Office NFI team will send an email link to Senior Responsible Officers and Key Contacts as a reminder that the matches are available.
To be confirmed	Matches from Cabinet Office matching of housing benefits to HM Revenue and Customs data will be released.
To be confirmed	Councils extract National Entitlement Card data and upload it to the NFI web application
To be confirmed	Social Security Scotland extract benefits data and upload it to the NFI web application
Late 2023/early 2024	External auditors will review NFI governance arrangements and progress in reviewing matches.
Spring 2024 (exact date to be confirmed)	Councils extract non-domestic rates data and upload non-domestic rates data to the NFI web application.
31st March 2024	Audit Scotland will use the outcomes as at this date for its national report.
Summer 2024	Audit Scotland will publish the 2022/23 NFI report.

16. The following link takes you to the detailed timetable for the 2022/23 NFI exercise on the Cabinet Office website. [2022-01-07-NFI-Timetable-22-23.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/2022-01-07-NFI-Timetable-22-23.pdf)

Training

17. The secure NFI site has guidance available to all users from the help menu ([Exhibit 2](#)). Each type of match report has a different purpose and therefore every report contains an important information popup that details the purpose and suggested approach to the report. You can use this information to help decide your organisation’s priority reports.

Exhibit 2

Training and support available on the NFI web app

THE NFI TEAM

Home | Help

HELP & SUPPORT

CELEBRATING 25 years National Fraud Initiative

- Introduction
- The NFI Web Application - Section 1
- Understanding your match results - Section 2
- Understanding the fraud risk view and scores - Section 3
- Resource and investigation planning - Section 4
- Communication with other organisations - Section 5
- How to review and investigate specific match types - Section 6
- Specialist data matches - Section 7
- Recording outcomes - Section 8
- Security and data protection - Section 9
- Data file upload guidance - Section 10
- ReCheck for Council Tax Single Person Discount (CTSPD) Matches - Section 11

If you require any further advice or assistance please contact us.

NFI Helpdesk: 0845 345 8019 or Helpdesk@nfi.gov.uk
 Cabinet NFI Office Team: nfiquestes@cabineoffice.gov.uk
 For individual NFI team contact details refer to <https://www.nfi.gov.uk/Contact>

DOCUMENTS

- APPOCHECK
- RECHECK
- NATIONAL EXERCISE
- SECURITY
- NFI MATTERS NEWSLETTER
- OTHER DOCUMENTS AND LINKS
- MORE...

INFORMATION

- FAQS
- CASE STUDIES
- MORE...

Source: The Cabinet Office National Fraud Initiative secure website

Data requirements

18. Where possible, the NFI will collect data in bulk from the relevant organisation. For example, in Scotland, data relating to housing benefit and to students eligible for a loan will be collected from the Department for Work and Pensions (DWP) and the Student Awards Agency Scotland (SAAS) respectively. The Student Loans Company (SLC) will collect data relating to students eligible for a loan.

19. NHS payroll data will be collected centrally where possible:

- **ESR payroll users** – For participants using the ESR system, the NFI will receive your payroll data in bulk on your behalf from the ESR system, as in previous NFI exercises. NHS bodies therefore need only submit trade creditor standing and payments history data. In an attempt to streamline the data allocation process we ask participants to confirm their ESR VPD code. Please follow the instructions on the data file upload page within the NFI web application.
- **Non-ESR payroll users** - If you use other companies such as Liaison for payroll, you will need to upload this data to us through the data file upload facility in the secure web application.

20. The Blue Badge Digital Service (BBDS) will upload data centrally on behalf of councils that have opted for this service. Councils not using the BBDS will need to extract and upload the data.

21. Following a review of NFI work programme datasets, the existing mandatory data matches will continue to be a part of the NFI 2022/23 work programme ([Exhibit 3, page 10](#)).

22. Changes from the 2020/21 and other previous exercises are as follows:

- personal budget and private supported care home data will not be collected as part of the main 2022/23 exercise as work to secure alternative legal gateways is still ongoing. It is hoped that this data will be included in future exercises.
- New data specifications for Covid-19 post-assurance matching will be issued for the 2022/23 exercise only if required. Data will be collected to a different timetable that participants will be notified of, if required, in due course.
- Non-domestic rates (NDR) data for matching small business bonus scheme (SBBS) relief will be collected to a different timetable that councils will be notified of in due course. The data will not be required until Spring 2024.

- New data specifications for National Entitlement Cards (NECs) for adults will be issued for the 2022/23 exercise. This data will be collected to a different timetable that councils will be notified of in due course.
- New data specifications will be issued for benefits paid by Social Security Scotland for the 2022/23 exercise. This data will be collected to a different timetable that Social Security Scotland will be notified of in due course.
- Additional matching of housing benefit data to HM Revenues & Customs' payroll, pensions and savings data will be carried out in the 2022/23 exercise. Matches will be released to a different timetable that participants will be notified of in due course.
- Home Office data will not be available for the 2022/23 NFI exercise. The Home Office has advised that NFI participants have other avenues to allow them access to Home Office data.

23. The Cabinet Office NFI team has issued a document summarising [the key changes to datasets required for the 2022/23 exercise.](#)

Exhibit 3

Data requirements for the 2022/23 NFI exercise

Data requirements/ dataset	Councils	Strathclyde Passenger Transport, Tayside Contracts, NHS bodies & colleges	Central government
<u>Payroll #</u>	Mandatory	Mandatory	Mandatory
<u>Pensions</u>	Mandatory		SPPA Mandatory
<u>Housing tenants</u>	Mandatory		
<u>Housing waiting lists</u>	Mandatory		
<u>Blue-badges-resident parking (transport- passes-and-permits)</u>	Mandatory		
<u>Taxi driver licences</u>	Mandatory		
<u>Trade-creditors- payment-history-data #</u>	Mandatory	Mandatory	Mandatory
<u>Trade-creditors- standing-data #</u>	Mandatory	Mandatory	Mandatory

Student Loans	Mandatory	SAAS Mandatory
<u>Council tax reduction scheme</u>	Mandatory	
<u>Council tax</u>	Mandatory	
<u>Electoral register</u>	Mandatory	
Non-domestic rates	Mandatory	Timetable to be confirmed
National Entitlement Cards for adults	Mandatory- councils	Timetable to be confirmed
Benefits paid by Social Security Scotland		Mandatory Timetable to be confirmed

The Scottish Government will upload and lead on investigating payroll and creditor data for bodies that use the Scottish Government's systems for these functions.

Source: The Cabinet Office NFI website

24. All Scottish participants should refer to [Exhibit 3](#) when preparing datasets for submission to the NFI.

Security

The security policy for the NFI requires checks to be undertaken on all new users of the NFI web application tool to ensure compliance with government standards. The following information is presented to new users when they first log into the NFI system and must be abided by:

The information contained within the NFI system is covered by the General Data Protection Regulation (GDPR), the Code of Data Matching Practice and HMG Policy. Only authorised users are permitted to access this system and users must ensure that they use the system appropriately and in accordance with the guidance supplied to them.

Any information accessed, exported, downloaded or printed from this system must be handled in line with GDPR and the Cabinet Office Security Policy Framework (SPF). Users and participating organisations must ensure that any information exported from the system is handled in line with HMG requirements for handling Personal and Protectively Marked information.

If you have any questions about this, you should contact your Key Contact or Senior Responsible Officer (as applicable).

Source: The Cabinet Office National Fraud Initiative secure website

System security

25. The NFI system goes through the Cabinet Office's information assurance and risk management process. The outcome of this is that the system is HM Government-accredited each year to store and process data.

26. Any firm processing data for the Cabinet Office will do so under a written contract that imposes requirements as to technical and organisational security standards, and under which the firm may only act on instructions from the Cabinet Office. The Cabinet Office, assisted by Audit Scotland and the other UK public sector audit agencies, will monitor the firm's compliance with these standards from time to time. In addition, the Cabinet Office requires annual security testing, supplemented by additional tests as appropriate.

27. Further details of security testing are available from Audit Scotland and the Cabinet Office.

28. Audit Scotland does not send personal data collected during the NFI outside of the European Economic Area.

Scottish interpretations

29. The Cabinet Office's NFI guidance requires supplementary guidance for Scotland in respect to four data sets.

Council tax

30. The rest of the UK carries out an annual mandatory data upload for the council tax single person discount (SPD) to the electoral register. In line with previous NFI exercises, Scottish councils are continuing to match council tax and electoral register data every second year. This upload takes place in the same year as the core NFI data. For 2022/23, council tax and electoral register data should be uploaded to the NFI ReCheck from 28th November 2022.

31. If councils wish to conduct this matching annually, eg. in November 2023, they are encouraged to do so using options available via NFI Recheck or the NFI's Premium SPD matching service. This will incur a charge. Interested participants should contact the NFI helpdesk.

Non-domestic rates (NDR)

32. NDR data will again be included in the 2022/23 NFI exercise. However, due to the rating revaluation due to take place in Scotland in 2023, the NDR data will not be required until after that has taken place. Councils will be notified of the submission deadline which will be in Spring 2024.

Scottish benefits

33. Social Security Scotland will submit data on Scottish benefits for the 2022/23 exercise. The date for submission has still to be agreed but is likely to be in 2023.

National Entitlement Cards (NECs)

34. Following a successful pilot carried out in Fife Council in 2021/22, NECs used by adults for travel will be included in the 2022/23 NFI exercise. Councils will be notified of the submission deadline in advance.

35. The pilot report for matching carried out in Fife Council is available on our [Counter- Fraud Hub](#). Based on the matches and results which were generated in Fife Council, it is expected that this matching will result in significant numbers of matches and outcomes for other councils.

36. Where large volumes of matches are received, it is not expected that all matches will be reviewed during the 2022/23 exercise. Instead, it is expected that high-risk matches are prioritised and that councils apply reasonable resources in order to review a proportion of the matches they receive.

Additional NFI services

37. The Cabinet Office has additional products that use the core NFI datasets but provide greater flexibility for organisations in the fight against fraud prevention and detection: AppCheck, Recheck, ReCheck for annual or Premium council tax single person discount (CTSPD) services and its Fraud Hub. Participants wishing to find out more information about using these services should contact the NFI helpdesk (0845 345 8019).

38. The NFI **AppCheck** tool is designed to help quickly identify and prevent fraud or mistaken payments from being made in the first place. This preventative service complements the traditional detection tools and allows organisations to stop fraudulent applications from being successful.

39. Recheck allows participating bodies to re-perform any of the existing NFI data matching at a time convenient to them. This service matches against data from the most recent NFI exercise with regularly refreshed housing benefit data, as well as student loans and Amberhill fraudulent identity data.¹

40. The NFI **ReCheck Premium CTSPD service**, is offered as an extension to the existing ReCheck CTSPD product. It provides an enhanced view of a match by bringing together information and intelligence from NFI data and Credit Reference Agency (CRA) data to give a comprehensive view of the household composition where individuals are claiming a council tax discount. These matches are supplied in a separate report called 'report 814'. Each match is risk scored based on a number of criteria derived from the NFI and CRA data.

41. FraudHub provides a permanently accessible system with proven capabilities and enables organisations to come together (typically within a geographical area) to share intelligence and insight to help identify potential fraud. Data screening can be carried out whenever it is needed. FraudHub is located within the NFI secure system, so setting up a FraudHub is easy. Fees for use of the FraudHub tool are charged per organisation on an annual subscription basis.

¹ Amberhill is a system used by the Metropolitan Police to authenticate documents presented for identity verification.

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Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility

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