



The Scottish Parliament
Pàrlamaid na h-Alba

Kate Forbes MSP
Cabinet Secretary for Finance and the
Economy

By email only

Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

Email:

publicaudit.committee@parliament.scot

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Dear Cabinet Secretary,

The National Fraud Initiative

The Public Audit Committee has an important role to fulfil in scrutinising Audit Scotland's biennial National Fraud Initiative (NFI) in Scotland report, which is informed by the wider counter fraud exercise undertaken by the UK Public Sector.

As you may be aware, the Session 5 Public Audit and Post-Legislative Scrutiny (PAPLS) Committee undertook [post-legislative scrutiny of the NFI](#) and its underpinning legislation. In its [report](#), the Session 5 Committee made a number of recommendations. Of particular note are the following recommendations—

- We believe all public bodies and private organisations in receipt of public money should participate in the NFI, where this would deliver clear benefits to the public purse.
- Should the Scottish Government consider that further legislative change is not required to widen the scope of the NFI, we invite Audit Scotland to consider whether it could take further steps to encourage relevant organisations to participate voluntarily.

We understand that the former Cabinet Secretary for Finance and the Constitution [responded to the Committee's report](#), highlighting his “willingness to work with Audit Scotland and the Cabinet Office in exploring and taking forward the Committee’s recommendations to help improve the NFI”. To that effect, a joint action plan was created with Audit Scotland and the Cabinet Office.

The Committee echoes the recommendations made by the Session 5 Committee. We therefore seek an update on the progress made against the joint action plan in response to the PAPLS Committee’s report recommendations.

We are aware that the UK Government has recently [consulted](#) on extending the NFI data matching powers to assist in the—

- prevention and detection of crime other than fraud
- apprehension and prosecution of offenders
- prevention and detection of errors and inaccuracies.
- recovery of debt owing to public bodies.

The Committee notes that there are clear benefits to the public sector by widening these powers. For example, it could help Police Scotland with its criminal investigations, as well as assisting public sector bodies ensure citizens get access to their full benefit entitlements. Should these powers be extended, we are aware that Audit Scotland’s data matching powers could be uprated accordingly. We are therefore writing to the UK Government to seek an update on this work.

The Committee kindly requests a response to this correspondence by **6 May 2022**. Should this deadline present any difficulties, I would be grateful if you could make the clerks aware as soon as possible.

Yours sincerely,

Richard Leonard MSP
Convener