

National Fraud Initiative in Scotland – 2010/11

Instructions for participants



June 2010

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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Purpose

1. This document contains instructions for bodies participating in the 2010/11 National Fraud Initiative in Scotland (NFI). Directors of finance/ chief executives and NFI key contacts will be alerted to any subsequent changes to these instructions by letter or email.

2. The instructions are aimed at helping participating bodies to plan for the NFI 2010/11 exercise. They set out the aims of the exercise, the timetable, the data protection requirements, including fair processing notices, the key actions for participating bodies and the data that needs to be submitted.

Background

3. Since 1996, the Audit Commission in England has run the National Fraud Initiative (NFI), a sophisticated data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. The NFI in Scotland is Audit Scotland's data matching exercise that runs every two years in line with the Audit Commission's NFI timetable. The Audit Commission processes the data for NFI in Scotland on behalf of Audit Scotland, and provides its secure website and NFI application for bodies and auditors to use in Scotland.

4. NFI helps participating bodies to identify possible cases of fraud, and to detect and correct any consequential under or overpayments, etc. NFI also helps auditors, for example, to satisfy their duties to assess bodies' arrangements for preventing, deterring and detecting fraud.

5. The most recent Audit Scotland exercise (NFI 2008/09) helped participants to identify £21 million of outcomes¹ since the previous

exercise (NFI 2006/07) was reported in May 2008. The cumulative outcomes in Scotland are now around £58 million. Audit Scotland's report on NFI 2008/09 and other material relating to NFI in Scotland can be downloaded from the NFI page on Audit Scotland's website <http://www.audit-scotland.gov.uk/work/nfi.php>

6. Across the UK, the cumulative outcomes from NFI exercises now exceed £660 million.

7. To ensure fair processing and other compliance requirements of the Data Protection Act 1998, a Code of Data Matching Practice (the Code) was issued by Audit Scotland in July 2006. All participating bodies and their auditors are expected to comply with the Code. However, section 2.6 and Appendix 1 of the Code were amended by new guidance about fair processing notices issued in June 2008. The example fair processing notices have been refreshed and revisions are included later in these instructions.

8. Audit Scotland intends to review the Code and consult with participants, the Information Commissioner and other stakeholders before publishing a new Code later this year. This will be required by new legislation for data matching in Scotland that is expected to come into force by October 2010 (see Statutory framework and Fair processing notices paragraphs opposite).

Distribution of matches

9. Once the 2010/11 data matching process is completed, the output will be made available to the relevant participating body for consideration and investigation via the secure NFI website. The responsibility for investigating any matches rests with participating bodies.

10. It is essential that the guidance provided with the NFI match output is considered as it will assist with prioritisation of the NFI match reports and the matches within them. It is vital to note that the matches are not necessarily fraudulent but that they are potentially worthy of further investigation.

External auditors

11. External auditors will continue to monitor their audited bodies' participation in NFI and use the findings from their reviews to help them assess the arrangements that bodies have in place to prevent and detect fraud, in accordance with the Code of Audit Practice approved by the Accounts Commission and the Auditor General.

12. Auditors usually refer to bodies' participation in NFI in their annual audit reports. Auditors will also be asked to provide more detailed information to the Audit Strategy Group in Audit Scotland in early 2012, to aid the preparation and publication of a national report on the 2010/11 exercise.

Statutory framework

13. Since 2008, the Audit Commission has conducted data matching exercises under its statutory powers in Part 2A of the Audit Commission Act 1998. Other UK audit agencies have also taken part under similar legislation.

14. Broadly equivalent legislation is expected to be enacted in Scotland by October 2010 and will be used for NFI 2010/11. In the event that this legislation is not enacted, Audit Scotland will revert to its existing powers and, if necessary, modify the scope of the 2010/11 exercise. The legal framework is explained more fully in the Level 3 'full text' part of the fair processing notice

¹ The value of NFI to the public purse is measured by the amounts of overpayments (whether due to error or fraud) that are identified and stopped, estimates of amounts that bodies will save by stopping incorrect payments that would have continued if not identified by NFI and, in some cases, attaching an appropriate value to other significant findings. We refer collectively to these as 'outcomes'.

later in these instructions. A ‘full text’ notice is also published on the NFI page on Audit Scotland’s website, so that it can be accessed readily by anyone whose personal information is provided for NFI purposes.

Fair processing notices

Background

15. As indicated previously, Audit Scotland issued a Code of Data Matching Practice in July 2006. Section 2.6 and Appendix 1 of that Code referred to forms of fair processing notices that participating bodies should use to inform individuals whose personal information is to be provided for the purpose of the NFI.

16. The Audit Commission, which matches the data for NFI in Scotland on behalf of Audit Scotland, prepared a new draft Code in 2008 to reflect new powers in the English legal framework and to provide new guidance on forms of fair processing notices. The UK Information Commissioner regards the new guidance as demonstrating a commitment to good practice standards that will help organisations to comply with data protection principles.

17. The new powers that are expected to be brought into force in Scotland by October 2010 will require Audit Scotland to consult with the Information Commissioner and other stakeholders before publishing a new Code. Until then, these Instructions have been updated (mainly in respect of the Level 2 and Level 3 parts of the fair processing notice) to reflect the changing legal framework.

Purpose

18. The purpose of this section of the Instructions is to ensure that up-to-date guidance on fair processing notices is available to NFI participating bodies in Scotland in good time for the 2010/11 NFI exercise.

19. Paragraphs 20 to 39 below replicate the revised guidance on fair processing that was included in the 2008/09 NFI Handbook, pending the review of the Code. However, the Instructions include revised specimen forms of fair processing notices for 2010/11, although this mostly impacts on the Level 3 ‘full text’ part of the notice that is posted on Audit Scotland’s website.

Fair processing notices – guidance for participating bodies

20. The processing of data by Audit Scotland for NFI purposes (or by the Audit Commission on behalf of Audit Scotland) is carried out under statutory powers. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

21. The Data Protection Act 1998 normally requires participating bodies to inform individuals that their data will be processed. Unless an exemption applies (eg, the Section 34 exemption for information available to the public by or under an enactment), for data processing to be fair, the first data protection principle requires data controllers to inform individuals whose data is to be processed of:

- the identity of the data controller
- the purpose or purposes for which the data may be processed
- any further information which is necessary to enable the processing to be fair.

22. The provision of this information is known as a fair processing notice.

23. Participating bodies should, so far as practicable, ensure that fair processing notices are actively provided, or at least made readily available to the individuals about whom they are sharing information.

The notice should clearly set out an explanation that their data may be disclosed for the purpose of preventing and detecting fraud. The notice should state that the data will be provided to Audit Scotland for this purpose. The notice should also contain details of how individuals can find out more information about the processing in question.

24. Communication with individuals whose data is to be matched should be clear, prominent and timely. It is good practice for reminder notices to be issued before each round of data matching exercises. If data matching exercises require new sets of data, which individuals are currently unaware of, then new notices need to be issued outlining the further information which is now required. Even where a notice is not required, (eg, the Section 34 exemption), it is good practice for new notices to be issued anyway.

25. When providing data to Audit Scotland (or the Audit Commission), participating bodies must submit a declaration (Form 3) confirming compliance with the fair processing notification requirements. This declaration should be made by using the online facility in the NFI secure website.

26. If an auditor becomes aware that fair processing requirements have not been adhered to, they should agree the steps necessary for the participant to achieve compliance.

Layered notices

27. The Information Commissioner recommends a layered approach to fair processing notices. Usually there are three layers: a **summary notice**, **condensed text** and **full text**. Taken together, the three layers comprise the fair processing notice.

28. The **summary notice** should provide the minimum necessary content and be provided to the individuals whose data is to be matched. Where practicable, it should point to where more detailed information can be found, for example by providing web links to the condensed text layer, or contact details for a named person such as the participating body's key contact or data protection officer. Participating bodies should make clear where individuals can obtain further information about how, why and by whom their data is being processed.

29. In the case of benefits, licences and applications for services, for example, the summary notice should usually be included on the application form used to collect the data in the first place.

30. In other cases, such as occupational pensioners and tenants, participating bodies usually communicate formally at least once a year, for example by newsletter. Summary notices should be included in these communications, which should be sent to named individuals in advance of each data matching exercise where practicable. This will avoid the cost of a separate mailing.

31. Participants should notify their employees both at the time of the original application for their post and before each exercise, for example, by including a summary notice on their payslip.

32. The **condensed text** should give a summary of Audit Scotland's data matching exercises, and should be available on the participating body's website, as well as in hard copy on request. This layer should provide a link to the more detailed full text.

33. The **full text** is available on Audit Scotland's website and includes an explanation of the legal basis for

its data matching exercises and a more detailed description of how the initiative works.

34. While participants should decide the content and means of issuing fair processing notices for themselves, good practice examples of a three-layered approach for public bodies are included at [Appendix 1](#). Such notices may have the effect of deterring fraud as well as informing applicants about the use of data in data matching.

35. The benefit of using a layered approach is that it gives appropriate levels of fair processing information to different audiences, depending on their information needs. Individuals who wish to have a relatively short explanation can access this in a summary notice, while more comprehensive information can be made available to others.

Collection of new data

36. Participating bodies should provide summary fair processing notices at the point of collecting personal data, where practicable. Participants should in any event provide such notices before disclosure of the data to Audit Scotland (or the Audit Commission), unless it is impractical to do so.

Retrospective fair collection notices

37. Sometimes it will not be practicable to provide a summary fair processing notice at the time of the original collection of the data. In such cases, participants should provide retrospective summary fair processing notices at the earliest reasonable opportunity, and before disclosure for NFI purposes, unless it is impracticable to do so.

38. Examples of when it might be impracticable are where the current address is not known or clearly disproportionate effort would be needed. Giving notice will enable people to know that their data is being included in NFI and to take

appropriate steps if they consider the use is unjustified or unlawful in their particular case.

Deceased persons

39. Some of the data used for NFI exercises relates to deceased persons. Although information relating to a deceased individual cannot be regarded as personal data of the deceased person under the DPA 1998, common law rules of confidentiality may restrict disclosure in certain circumstances. To avoid unnecessary distress or harm, particular care and sensitivity should be taken throughout the exercise when dealing with data concerning deceased persons, but especially when investigating matches.

Contact nominations and responsibilities

Director of Finance role

40. The director of Finance, or equivalent senior named officer acting as 'senior responsible officer' for NFI, has key responsibilities to ensure the requirements for bodies participating in NFI are met, including:

- nominating a key contact
- ensuring the key contact has access to the matches via the secure NFI website when they become available in January 2011
- ensuring that the key contact fulfils all data protection requirements.

Key contact role

41. The key contact will be responsible for:

- nominating appropriate users to upload data submissions. This should be the person with the most knowledge of the system in question

- ensuring that the data formats guidance and data specifications are adhered to
- fulfilling data protection requirements. The key contact should be in direct communication with their organisation's data protection officer or person with equivalent responsibility
- nominating appropriate users to investigate the matches and act as points of contact for other bodies
- coordinating and monitoring the overall exercise
- providing feedback on the outcomes of the exercise.

42. Further information on the key contact role is provided in the online interactive training modules within the secure website.

43. In small organisations, it is understandable that one person may be nominated to fulfil the key contact, data submission, data set contact and investigation roles.

Data submission

44. The user responsible for submission of the data should ensure that data:

- meets the specifications
- is in the correct format
- is submitted by the specified method (ie, the data file upload facility)
- is received by the required deadline(s).

Investigating the matches

45. The key contact will allocate matches to a user or number of users for review and investigation.

The user may also be responsible for responding to enquiries from other matched bodies if this role is delegated to them by the key contact (ie, preferred dataset contact).

How contact information is used

46. Key contact and user information is used to populate the 'authority code' look-up facility within the NFI website. This look-up facility provides contact details for each matched body so there can be liaison over matches, where applicable. Consequently, the nomination of data set contacts and a preferred data set contact is encouraged where someone other than the key contact is responsible for investigating specific matches and dealing with queries from other participating bodies.

Data requirements

47. The data requirements for the 2010/11 NFI exercise are set out in [Table 1, overleaf](#). The corresponding data specifications are set out in [Appendix 2](#). Please note:

- Data requirements are **not** the same in Scotland and England. In contrast to England, there are some 'risk-based' data sets in Scotland for NFI 2010/11. Please bear this in mind if you are looking at the Audit Commission's NFI web content.
- The fair processing notice requirements set out previously should be adhered to. Please liaise with your own data protection officer or person with equivalent responsibility if you require any clarification.
- The Data submission section of these instructions provides details on how to upload data securely. This is the only acceptable method.
- As in previous exercises, wherever possible, data will be collected in bulk on behalf of participants. For example, in Scotland, data relating to housing benefit and council tax benefit, and full-time students will be collected from the Department for Work and Pensions (DWP) and the Student Awards Agency for Scotland (SAAS) respectively.
- Providers of insurance services to local authorities are also being approached to provide insurance data on their behalf, and an update on this will be provided in advance of the data submission deadline.
- As in 2008/09, arrangements have been made by the NHSScotland payroll managers' group for Atos Origin Alliance to prepare a programme to extract the required NHS payroll information. Further details can be obtained from Melanie Stewart on 01382 424474. However, it is each NHS body's responsibility to ensure that employees are notified in line with the fair processing requirements.
- Experience from previous NFI exercises has shown that Trade Creditors standing and payments history data continues to be a complicated specification so extreme care should be taken when extracting the data, otherwise the quality of the output can be severely affected. As well as the creditors data specifications in [Appendix 2](#), please also note that the Audit Commission's guiding principles for the creditors data submission are included at [Appendix 5](#).

Table 1

Data requirements: NFI 2010/11 – Scotland

Data set	Mandatory or risk based	Bodies	Notes
HB/CTB	Mandatory	Councils	Data is obtained from DWP. No upload required by councils.
Payroll	Mandatory	NHS bodies Councils Police forces Fire & rescue SPT Tayside contracts Specified central government bodies – to be confirmed	Please submit police, fire, etc data separately from council data using the website for the police and fire services or other joint boards/committees. NHS payrolls are provided directly by the NHSScotland contractor.
Pensions	Mandatory	Councils Police forces Fire & rescue SPPA	Includes deferred pensions and pension gratuities. Please submit police and fire data separately from council data using the website for the police and fire services.
Students	Mandatory	SAAS	–
Current tenants	Mandatory	Councils	Bodies are requested to provide separate files for this tenancy data. Right to buy data should be provided from 1 April 2007 to date of extract.
Tenants (right to buy)	Mandatory	Councils	
Trade creditors payments history	Risk based	Local authorities NHS bodies	Bodies are encouraged to submit trade creditors data. Matches may identify, for example, duplicate payments and relative numbers of creditor standing records. Data is also matched to Companies House directors and matches will be provided to consider declarations of interests, etc.
Trade creditors standing data	Risk based	Specified central government bodies – to be confirmed	
Disabled parking (blue badges)	Mandatory	Councils	Match is to deceased persons. These should be provided in separate files. NEC card holders should be uploaded by councils (or SPT) on their own NFI secure websites. Matches will be provided to the bodies that submit the data.
Residents' parking	Risk based		
NEW NEC card holders (elderly and disabled concessionary travel)	Risk based	Councils SPT	
Private supported care home residents	Mandatory	Councils	Match is to deceased only. In Audit Scotland's view fair processing notices may cause unnecessary alarm or confusion for residents. However, councils should consider placing notices in homes.
Personal injury, etc insurance claimants	Risk based	Councils	Match is to other claims and to HB/CTB (declaration of capital). It is industry standard to data match in this area, claim forms may already have suitable wording. Data is required from 1 April 2007 to date of extract.

Table 1 – continued

Data set	Mandatory or risk based	Bodies	Notes
Taxi licence holders	Risk based	Councils	Main match is to HB/CTB to identify possible undeclared income source.
Market traders licences			
Personal licences for the supply of alcohol			
Deceased persons	N/A	DWP	Matched to pensioners, blue badges, care home residents, etc.
Failed asylum seekers and persons not entitled to work in the UK	N/A	Home Office	Matched, for example, to employees and students.
Company directors	N/A	DTI Companies House	Matched to creditor payments and public sector employees (declaration of interests, etc).

Notes:

1. Audit Scotland will contact bodies in due course about any data sets, such as council tax and the electoral register, to be submitted mid-cycle (ie, in late 2011).
2. Where a data set is described as 'risk-based', bodies should discuss the provision of the data with their external auditors and agree whether or not these represent areas where the council is at risk or whether there could be benefits from the data being included in the exercise. If so, the data will be required for NFI purposes in the same way as for mandatory data sets.
3. Fair processing notices are not required for trade creditors as these are not personal data.

Source: Audit Scotland, 2010

Timetable

48. The NFI 2010/11 timetable, from collection of data through to distribution of matches, is set out in [Table 2, overleaf](#).

Downloading data

49. Before data is extracted from local systems, it is essential that the data download and submission instructions and data format instructions at [Appendices 3 and 4](#), respectively, are taken into account.

50. To assist with this process, a selection of Frequently Asked Questions can also be accessed on the Audit Commission's NFI FAQ web page.

51. Data must be submitted using the data file upload (DFU) facility within the NFI secure website. This is now the only acceptable method for supplying data and the Audit Commission's policy will be to inform the director of Finance if data is received by any other means that puts it at risk. Further details can be found in the Data submission section.

52. If you require any further guidance on how to extract, download or submit data, please view the online training module or contact the NFI Data Centre (Synectics Solutions Ltd) via email (nationalfraudinitiative@nfi.gov.uk) or call 01782 664066 or 01782 664057.

Fees

53. Audit Scotland pays the Audit Commission to process the data for NFI in Scotland, although the cost inevitably requires to be recovered through our normal audit charging regime (ie, the costs will be recovered through the allocation of the Audit Scotland fixed charge).

54. Indicative audit fee ranges (ie, auditors' fees) have not been increased because of NFI as, in most cases, the local audit resource requirements are undertaken as part of auditors' work on governance, internal controls and reviewing the arrangements for preventing and detecting fraud. However, if the auditor identifies weaknesses in a body's approach to NFI, this may be reflected in a higher fee proposal.

Table 2

2010/11 NFI timetable

	Who	How	Timing
Issue the data specifications for each data set	NFI Team (Audit Commission) and Audit Scotland	An email link to data specs was included in Audit Scotland's letter of 10 April 2010. Data specs are also included in these Instructions.	Done
Confirm users to be rolled over to 2010/11 web application	Key contact	Key contact required to confirm which 2008/09 users will require access to 2010/11 web application.	By 28 May 2010
Confirm contact details for the 2010/11 exercise	Director of Finance/key contact	New participants: The director of Finance (or senior responsible officer) should nominate an appropriate key contact by email to nfiqueries@audit-commission.gov.uk Existing participants: The director of Finance (or senior responsible officer) will be required to confirm key contacts. Key contacts will be required to confirm users.	From Wednesday, 16 June 2010 onwards
Force a password reset for the 2010/11 web application	NFI Team	The first time that users log on to 2010/11 web application they will be forced to change their password.	From Wednesday, 16 June 2010 onwards
Issue the instructions to bodies participating in NFI 2010/11	Audit Scotland	Posted to Audit Scotland website before end June 2010. An email link has been sent to key contacts.	By end June 2010
Confirm who the NFI secure website users will be	NFI key contact	Key contacts should ensure the person(s) responsible for uploading data has a user account on the web application. Users responsible for reviewing matches can also access the training modules in preparation for the 25 January 2011 release.	By Monday, 1 September 2010 and when changes occur
The fair processing compliance returns are submitted	Key contact	Submissions should be made via the NFI secure website. Submission guidance can be found within the help menu under <i>Form 3 – Fair processing compliance return</i> .	By Monday, 27 September 2010
The data is extracted from the participant systems in accordance with the data specifications	Key contact/user (data upload)	There is a separate data specification for each data set collected. These specifications are included in these Instructions.	Monday, 4 October 2010
The live data is uploaded to the NFI web application	Key contact/user (data upload)	The data is uploaded within the secure website via the 'data file upload' function.	From Monday, 4 October 2010*
The 2010/11 exercise matches are available	NFI Team	An email link will be sent to directors of Finance and 2010/11 key contacts to inform them that the matches are available.	From Tuesday, 25 January 2011

* A series of reminders will be issued from 11 October 2010.

Note: In addition to the Table 2 content, Audit Scotland will consult with participants about a revised Code of Data Matching Practice that will be required under the expected data matching provisions for Scotland, currently in the Criminal Justice and Licensing (Scotland) Bill.

Source: Audit Scotland/Audit Commission, 2010

Making the process more efficient

Online interactive training

55. Online interactive training modules are available to participants via the secure NFI website. They provide relevant training material on how to use the software and are available throughout the initiative. They are particularly useful to those new to NFI. Each user should complete the appropriate training module(s) before they access the matches and commence their review.

Other measures that can be taken locally

56. There are also a number of measures that can be taken locally to make the NFI process more efficient, including:

- making use of the self-appraisal checklist in Audit Scotland's national report on the 2008/09 NFI, published in May 2010, when planning for NFI 2010/11
- identifying a key contact to be responsible for controlling and monitoring the exercise, and ensuring that the Audit Commission is advised of their contact details
- ensuring that the key contact is provided with access to the NFI website
- reviewing the data quality reports from NFI 2008/09 (this can be accessed from the left hand menu on the 2008/09 version of the NFI website)
- ensuring all guidance is reviewed by appropriate staff prior to the extraction of data

- planning in advance what investigative resources are needed based on the particular expertise and knowledge so the matches can be dealt with promptly; for example, trade creditor duplicate matches are perhaps best dealt with by a nominated person in either Internal Audit or Accounts Payable.

Communications

57. The Audit Commission and Audit Scotland are committed to improving the effectiveness of NFI, and will continue to work closely with key contacts and others to provide regular and timely information to all parties involved in the investigation process. The NFI communication plan for 2010/11 includes:

- Posting NFI national reports, instructions and the full text level 3 part of the fair processing notice on Audit Scotland's public facing website at <http://www.audit-scotland.gov.uk/work/nfi.php> Access to further NFI reference material is also available on the Audit Commission NFI web page at www.audit-commission.gov.uk/nfi However, bodies in Scotland need to be aware that the scope of the exercise and the status of the data sets is not the same for Scotland and England. For example, risk-based status applies to some data sets in Scotland, but not in England.
- Important messages will be placed on the home page of the NFI secure website.

- Periodic newsletters (*NFI matters*), letters and emails will be issued, highlighting important issues that arise during the exercise. These will be sent to directors of Finance (as appropriate), key contacts and external auditors.
- The NFI queries voicemail (0844 798 2222) and email address nfiqueries@audit-commission.gov.uk for participating bodies and other agencies to channel the more technical queries directly to the Audit Commission NFI team. General enquiries about NFI in Scotland should be addressed in the first instance to Dave Beveridge (dbeveridge@audit-scotland.gov.uk or 0131 625 1791), or John Gilchrist (jgilchrist@audit-scotland.gov.uk or 0131 625 1908).
- Access to the NFI matches will be provided to external auditors to assist the local audit review of progress and the assessment of audited bodies' arrangements for preventing and detecting fraud and corruption under the Code of Audit Practice.

Appendix 1.

Examples of good practice layered fair processing notices for public bodies

The Information Commissioner recommends that a layered approach is adopted when issuing fair processing notices. The purpose of each layer and the benefits of the approach are described in the main body of these Instructions.

Bodies participating in NFI in Scotland must decide for themselves the content of, and how to issue, fair processing notices. However, good practice examples for public bodies are set out below. Bodies should seek to incorporate notices into existing forms of communication wherever possible.

Level 1 – Summary Text – Example for Application Forms (for example, for benefits, housing tenancies, employment, market traders and taxi drivers)

This authority is under a duty to protect the public funds it administers, and to this end may¹ use the information you have provided on this form for the prevention and detection of fraud. It may¹ also share this information with other bodies responsible for auditing or administering public funds for these purposes.

For further information, see {web link to Level 2 notice on authority's website} or contact {name and contact details in authority}.

Level 1 – Summary Text – Example for Payslips (for employees)

Please note that key payroll data may¹ be provided to bodies responsible for auditing and administering public funds for the purposes of preventing and detecting fraud. For more details,

see {web link to Level 2 notice on authority's website} or contact {name and contact details in authority}.

Level 1 – Summary Text – Example for Letters (for example, to pensioners, employees and tenants, where communication by newsletter, payslip and so on is not practicable)

This example has been drafted for pensioners; the words in [square brackets] should be amended accordingly for employees, tenants, etc.

Dear {name [of pensioner]}

THIS LETTER IS FOR INFORMATION ONLY – YOU ARE NOT REQUIRED TO TAKE ANY ACTION

{Name of Participant} is participating in an exercise to promote the proper spending of public money.

The {name of Participant} is required by law to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds in order to prevent and detect fraud.

Audit Scotland currently requires us to participate in its anti-fraud initiative. For this initiative, we are providing details of [pensioners] so that they can be compared with information provided by other public bodies. This will ensure, for example, that [no pensions are being paid to persons who are deceased or no longer entitled, and that occupational pension income is being declared when housing benefit is applied for].

Sometimes wrong payments are made because of a genuine error. Previous exercises have uncovered instances of [pensioners] receiving too little [pension], resulting in the payments to [pensioners] being increased. These exercises, therefore, help promote the best use of public funds.

You do not need to respond to this letter. You may be contacted again in the future if the exercise suggests you are not receiving the correct amount of [pension]. Further information is also available on our website at {participant's web link}. However, if you have any questions you should contact {name and contact details}, who can also provide hard copies of information available on our website.

Level 2 – Condensed Text – to be published on participant's website

This authority is required by law to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud.

On behalf of {the Accounts Commission/the Auditor General for Scotland – delete as appropriate}, Audit Scotland appoints the auditor to audit the accounts of this authority. Audit Scotland also assists appointed auditors by conducting a National Fraud Initiative, which is a data matching exercise.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body.

¹ In certain circumstances bodies may prefer to use 'will' in place of 'may'. The word 'may' is intended to mean 'permitted' – and not to be ambiguous or evasive about intentions. As indicated above, bodies should decide the content of the notice themselves and should use the word 'will' if they prefer it. However, 'may' would be more appropriate when revising the wording on applications and other documents, especially if the data is not yet required for NFI.

This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it indicates that there may be 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.

Audit Scotland currently requires us to participate in a data matching exercise to assist in the prevention and detection of fraud. We are required to provide particular sets of data to Audit Scotland for matching for each exercise, and these are set out in Audit Scotland's Instructions (or Handbook), which can be found at <http://www.audit-scotland.gov.uk/work/nfi.php>

The use of data by Audit Scotland in a data matching exercise is carried out with statutory authority:

- Until October 2010, under auditors' powers in Section 100 of the Local Government (Scotland) Act 1973 and Section 53 of the Local Government in Scotland Act 2003. These powers may also be used, where appropriate, after October 2010.
- From October 2010, under new data matching powers expected to be included at Part 2A of the Public Finance and Accountability (Scotland) Act 2000 (as amended by Section 70 of the Criminal Justice and Licensing (Scotland) Act 2010).²

Audit Scotland does not require the consent of the individuals concerned under the Data Protection Act 1998.

Data matching by Audit Scotland is subject to a Code of Data Matching Practice. This may also be found at <http://www.audit-scotland.gov.uk/work/nfi.php>

For further information on Audit Scotland's legal powers and the reasons why it matches particular information, see the full text (Level 3) fair processing notice at <http://www.audit-scotland.gov.uk/work/nfi.php> or contact {name and contact details in authority}.

Level 3 – Full Text – published on Audit Scotland's website

Audit Scotland's National Fraud Initiative (NFI)

Introduction

Audit Scotland conducts an NFI to assist in the prevention and detection of fraud. This is a data matching exercise and one of the ways in which Audit Scotland helps auditors to meet their responsibilities, including promoting economy, efficiency and effectiveness in the use of public money.

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. Where a match is found it may indicate 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 processing of data for NFI in Scotland is carried out by the Audit Commission, on Audit Scotland's behalf, under the legal framework set out below. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

All bodies participating in Audit Scotland's NFI 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.

Since 2000, Audit Scotland's NFI has led to the detection of fraud and overpayments of around £58 million. Across the UK, since 1996, similar exercises undertaken by the Audit Commission have led to the detection of fraud and overpayments totalling in excess of £660 million.

Legal framework

Until October 2010

The framework described under this subheading applies to NFI exercises undertaken in Scotland up to NFI 2008/09 (ie, data collected for matching prior to October 2010). This framework may also be applied at future exercises (eg, NFI 2010/11) if anticipated new powers for data matching are not enacted. It may also support future areas of data matching that are not provided for in the new legislation.

² Bodies should amend the notice appropriately after the new legislation is brought into force. Audit Scotland will provide an example of a further revised Level 2 notice at that time.

The NFI is conducted in Scotland as part of the statutory audits of public bodies. It is a condition of the statutory audit appointments for auditors to follow a Code of Audit Practice prepared by Audit Scotland. That Code and relevant auditing standards impose certain duties on auditors relating to the prevention and detection of fraud and the arrangements made by audited bodies. The Code of Audit Practice is available to download from Audit Scotland's website <http://www.audit-scotland.gov.uk/about/as/docs.php>

Data is required from bodies by auditors under Section 100 of the Local Government (Scotland) Act 1973. Under Section 100 a local authority auditor may obtain information from the audited body and 'any other person' provided that information appears to the auditor to be necessary for the purpose of auditing the accounts of a body governed by the 1973 Act. Auditors may therefore obtain information from non local authority bodies, for example, to help detect housing benefit fraud committed in councils by students and individuals employed elsewhere in the public sector.

It is a criminal offence for a person to wilfully or negligently fail to comply with a requirement of an auditor under Section 100.

For NFI purposes auditors are assisted by staff in Audit Scotland and the Audit Commission under arrangements permitted under Section 53 of the Local Government in Scotland Act 2003.

The Audit Commission also has powers under Paragraph 9 of Schedule 2A of the Audit Commission Act 1998 to provide advice and assistance to another public authority. The definition of a public authority

includes Audit Scotland and appointed auditors of public bodies in Scotland.

The Audit Commission matches the data on behalf of Audit Scotland.

Audit Scotland will report the results of NFI exercises to the Accounts Commission and the Auditor General for Scotland, and may publish any such report. Audit Scotland expects that such reports will deter individuals from defrauding public bodies.

From October 2010

From October 2010 (NFI 2010/11) Audit Scotland intends to conduct data matching exercises under new powers which are expected to be included at Part 2A of the Public Finance and Accountability (Scotland) Act 2000.

Under the new powers:

- 1 Audit Scotland may carry out data matching exercises, or arrange for them to be carried out on its behalf, for the purpose of assisting in the prevention and detection of fraud or other crime; and for assisting in the apprehension and prosecution of offenders.
- 2 Audit Scotland may require certain persons (or bodies) to provide data for data matching exercises. These bodies are listed below. These are bodies to which the Auditor General or the Accounts Commission appoints auditors.
- 3 Audit Scotland may allow other persons to participate in data matching exercises on a voluntary basis. Where they do so the legislation states that there is no breach of confidentiality and generally removes any other restrictions in providing the data for matching.

- 4 The requirements of the Data Protection Act 1998 continue to apply.
- 5 Audit Scotland may disclose the results of data matching exercises where this assists the statutory purposes described at 1 above, including disclosure to bodies that provided the data and to the auditors appointed by the Auditor General or the Accounts Commission.
- 6 Audit Scotland may disclose both data provided for data matching and the results of data matching to the Auditor General for Scotland, the Accounts Commission, the Audit Commission in England, the Auditor General for Wales, the Comptroller and Auditor General for Northern Ireland and the National Audit Office, for the purposes described at 1 above.
- 7 Wrongful disclosure of data obtained for the purposes of data matching by any person is a criminal offence.
- 8 Audit Scotland may impose reasonable charges on any body that discloses data for, or which receives the results of, a data matching exercise.
- 9 Audit Scotland must prepare and publish a data matching code of practice. All bodies conducting or participating in its data matching exercises, including Audit Scotland itself, must have regard to the code.
- 10 Audit Scotland may report publicly on its data matching activities.

Bodies required to provide data for matching

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
- Tayside Contracts
- Health bodies
- Scottish Public Pensions Agency (SPPA)
- Student Awards Agency for Scotland (SAAS).

Audit Scotland also provides its own payroll data for NFI purposes.

This list will be updated from time to time and may not always reflect the current position.

Code of Data Matching Practice

Data matching by Audit Scotland is subject to a Code of Data Matching Practice which can be found on the same web page as this document <http://www.audit-scotland.gov.uk/work/nfi.php>

The data that is matched and the reasons for matching it

For information describing which data sets are matched by Audit Scotland, please refer to the relevant NFI handbook or instructions (separate documents are available for each NFI cycle, eg 2008/09 or 2010/11) available on this web page, and the [table below]³ which summarises the various match types for each participating organisation.

Further information

More details on Audit Scotland's data matching exercises, including national reports, other publications and guidance, can again be found on the same web page as this notice <http://www.audit-scotland.gov.uk/work/nfi.php> Alternatively, please contact the Director of Audit Strategy, Audit Scotland, 110 George Street, EDINBURGH, EH2 4LH; tel 0845 146 1010. Email enquiries should be addressed to: David Beveridge, Senior Manager (Audit Strategy & NFI) dbeveridge@audit-scotland.gov.uk

More information about the UK National Fraud Initiative is available on the Audit Commission's website at <http://www.audit-commission.gov.uk/nfi/>

June 2010 (revised)

Appendix 2.

Data specifications

The NFI data specifications are reviewed prior to each exercise and a summary of changes for the 2010/11 exercise is included in the table below.

Changes to specifications

Changes to the fields required in the data specifications have been kept to a minimum to ensure consistency between exercises; however, some changes have been necessary to improve the matching process and the quality of matches passed back for review. A number of changes simply relate to additional guidance.

Format

Before extracting the data you should refer to the data format guidance at [Appendix 4](#) and also take into consideration the comments (on the data specification) associated with each field.

Submission

The secure electronic upload facility should be used to submit data direct from local computers. This facility is contained within the existing secure NFI web application (<https://www.nfi.gov.uk/>). This connection provides 128 bit Secure Sockets Layer encryption and enables password protection. Before downloading data you should refer to the data download and data submission instructions at [Appendix 3](#).

This is now the only acceptable method of data submission for NFI data. If any other method of submission is used, our policy will be to inform Directors of Finance (Senior responsible officer) that data has been put at unnecessary risk.

If you require any further guidance on extracting, downloading or submitting data, contact the NFI Data Centre (Synectics Solutions Ltd) via email (nationalfraudinitiative@nfi.gov.uk) or call 01782 664066 or 01782 664057.

Data specification	Summary of changes from 2008/09 specification
Payroll	<ul style="list-style-type: none"> Additional guidance provided in data specification to highlight requirement to submit data for different organisations in separate files.
Pensions	<ul style="list-style-type: none"> Additional guidance around 'Pensioner's widow indicator'. New field: 'Ill health retirement flag'.
Trade creditors payment history	<ul style="list-style-type: none"> Additional guidance provided in data specification to clarify the period that creditors data should cover.
Trade creditors standing data	<ul style="list-style-type: none"> Removed field: 'Additional payee'.
Housing	<ul style="list-style-type: none"> Additional guidance to highlight that data should only relate to residential properties. We now require data for all named tenants and therefore the 'Tenant status flag' field has been revised. New field: 'National Insurance Number'.
Council tax	<ul style="list-style-type: none"> To follow.
Electoral register	<ul style="list-style-type: none"> To follow.
Insurance claimants	<ul style="list-style-type: none"> Additional guidance provided in data specification to highlight that data should only relate to personal injury claims. Removed fields: 'Claimants occupation' and all 'Witness' fields. Revised field: 'Estimated cost'. Revised field: 'Actual cost'.
Private supported care home residents	<ul style="list-style-type: none"> None.
Transport passes and permits	<ul style="list-style-type: none"> Revised field: 'National Insurance Number' to emphasise importance of providing this field with the data. Removed field: 'Vehicle Registration Number'.
Licences	<ul style="list-style-type: none"> Additional guidance to confirm taxi licence data for private hire and hackney carriages is required. New fields: 'Licence start date' and 'Licence expiry date'.

Payroll

To find out who should supply payroll data, refer to the Data requirements table (Table 1).

Requirements

- All payrolls (for example, monthly, weekly and quarterly, members/ councillors, schools and teachers) should be provided. However, data should not generally be provided in respect of payrolls processed for other organisations on an agency basis unless the body is also an NFI participating body and has arranged for data to be provided on its behalf.
- Ensure a single file for each organisation is uploaded, ie do not submit one file that merges police, fire and council employees.
- Ensure that there is only a single record for each reference number.
- Include current employees only.

Field name	Data format	Comments
Employee reference number	Character	
Employee post number	Character	Leave blank if not applicable, but do not omit this field.
Department	Character	Provide the Department where the employee works; for example, Social Services, Education. If this field contains a code, please provide a look-up table.
Title	Character	
Sex	Character	
Surname	Character	
Forename(s)	Character	
Address line 1	Character	
Address line 2	Character	
Address line 3	Character	
Address line 4	Character	
Post code	Character	
Date of birth	Date	
Date started	Date	
Date left	Date	Included as an independent check that only current employees are included.
Leaver indicator	Character	
National insurance number	Character	
Full-time/ part-time flag	Character	Insert 'F' for full time (employed for more than 30 hours per week), 'P' for part time (less than 30 hours a week) or 'C' for casual/ as and when employees.
Gross pay to date	Numeric	This should be gross pay to date as at 4 October 2010, NOT taxable pay to date. Do not submit a record if this field is zero.
Standard hours per week	Numeric	eg 16 hours as 1600.
Date last paid	Date	
Teacher flag	Character	Insert 'T' for a teacher.
Sort code	Character	6 numeric characters in groups of 2 which may be separated by hyphens, eg 20-45-23.
Bank account	Character	Usually 8 numeric characters.
Building society roll number	Character	Building societies have a roll number where payments are disbursed after being paid into a single account.

Pensions (including occupational pensions, pension gratuities and deferred pensions)

To find out who should supply pensions payroll data, refer to the Data requirements table (Table 1).

Requirements

- Where data is being submitted for pension widows then you should ensure the widow's name, DOB and NI Number is submitted and not that of the original pensioner.
- To ensure that the submission of data using the new DFU facility is as straightforward as possible, data should now be uploaded in three separate files:
 - Current pensioners, ie those currently in receipt of a pension.
 - Pensioners currently in receipt of a pension gratuity (if applicable).
 - Deferred pensioners (optional).

Field name	Data format	Comments	Fields required		
			1	2	3
Employee reference number	Character		✓	✓	✓
Employee post number	Character	Leave blank if not applicable, but do not omit this field.	✓	✓	✓
Title	Character		✓	✓	✓
Sex	Character		✓	✓	✓
Surname	Character		✓	✓	✓
Forename(s)	Character		✓	✓	✓
Address line 1	Character		✓	✓	✓
Address line 2	Character		✓	✓	✓
Address line 3	Character		✓	✓	✓
Address line 4	Character		✓	✓	✓
Post code	Character		✓	✓	✓
Date of birth	Date		✓	✓	✓
Date started pension	Date		✓	✓	✓ ¹
Date employment ended	Date	Included as an independent check that only pensioners are included.	✓	✓	✓
Leaver indicator	Character		✓	✓	✓
Pensioner's widow indicator	Character	Revised: Enter 'W' for pension widows and ensure the widow's name, date of birth and National Insurance Number are submitted, rather than that of the original pensioner.	✓		
National insurance number	Character		✓	✓	✓
Gross pension to date	Numeric	This should be gross pension to date as at 4 October 2010, NOT taxable pension to date. Do not submit a record if this field is zero.	✓	✓	
Date last paid	Date		✓	✓	
Injury pension flag	Character	New: Police and Fire pensions only. Include a 'Y' in this field if the pensioner is in receipt of an enhanced pension due to injuries suffered at work.	✓		
Ill health retirement flag	Character	New: Include a 'Y' in this field if the pensioner retired on ill health grounds. This will assist with pension abatement matches.	✓		

¹ Included as an independent check that only deferred pensions are included.

Trade creditors standing data

To find out who should provide trade creditor standing data, refer to the Data requirements table (Table 1).

Requirements

- Standing data should be current at the date of extraction and should exclude dormant or suspended creditors.
- It is essential that the guidance provided is referred to in conjunction with this data specification.
- Please also read the Creditors Guiding Principles at [Appendix 5](#).

Field name	Data format	Comments
Creditor reference	Character	Revised: This is the unique identifier for an individual creditor. This can be in the form of a numeric or alpha numeric string.
Site ID	Character	If creditors can have more than one address, these should be separately identifiable via this Site ID. ¹
Creditor name	Character	
Address 1	Character	If the address is held in a single field, use the Address 1 field.
Address 2	Character	
Address 3	Character	
Address 4	Character	
Post code	Character	
Telephone number	Character	This may or may not have the area/STD code. It should be output as a character field so the leading zeros are not lost.
VAT registration number	Character	This should be in the form of a 9 figure number, but should not be numeric as this could lose any leading zeros.
Bank sort code	Character	6 numeric characters in groups of 2 which may be separated by hyphens, eg 20-45-23.
Bank account number	Character	Usually 8 numeric characters.
Building society roll number	Character	Building societies have a roll number where payments are disbursed after being paid into a single account. This should be blank for normal bank accounts.
Creditor type ²	Character	For example, 0 = trade creditor, 1 = benefits, 2 = payroll, 3 = factor, 4 = grants, 5 = temporary/one-off, etc. Then provide a key to the codes used. If this type of identifier is not available from the system it would be to your advantage to populate this field to enable you to filter the output more easily and focus resources on what you may deem to be the most worthwhile matches.

- 1 If a Site ID is provided in the standing data file, it should also be included on the payments history file so that there is a unique linking field between the two data sets. This will make it possible to establish cumulative payments to individual trade creditor sites (which are attached to the standing data), and to attach the trade creditor names to each transaction on the payments history file.
- 2 This field only needs to be populated if you are unable to submit trade creditors data on its own.

Trade creditor payments history data

To find out who should supply trade creditor payments history data, refer to the Data requirements table (Table 1).

Requirements

- Trade creditor payments history data should cover the period 1 April 2007 to date of extract (4 October 2010). Where there has been a change in the creditors system then, as a minimum, payments history data for 1 April 2010 to date of extract can be accepted.
- Please also read the Creditors Guiding Principles at [Appendix 5](#).

Field name	Data format	Comments
Creditor reference	Character	This is the same reference as shown in the standing data specification. See note below ¹ regarding inclusion of a Site ID.
Site ID	Character	If trade creditors can have more than one address these should be separately identifiable via the Site ID. ¹
Suppliers invoice number	Character	This should be the reference shown on the supplier's invoice – usually a number but may have alpha prefixes or suffixes.
Internal/system invoice number	Character	Most systems generate a unique, sequential transaction number so all invoices, credit notes, payments, etc can be separately identifiable.
Invoice date	Date	This should be the date on the invoice, but could be the date of input if the invoice date is not available.
Due date	Date	This may be automatically generated by the system according to the conditions attached to each creditor.
Payment date	Date	If the invoice has not been paid then leave blank. If your system enters a default date and therefore you can't leave it blank, please tell us what the default date is.
Total invoice amount	Numeric	The 'total invoice amount' is inclusive of VAT, less any discount. However, some systems hold VAT exclusive amounts, with the VAT figure held separately. In this case these figures should be added together to produce the 'total invoice amount'.
VAT amount	Numeric	This should be separately identifiable for each invoice but could be nil.
Method of payment	Character	eg BACS, cheque, cash, payable order, etc. If codes are used, a 'key' to the codes should be sent with the data submission.
Payment reference number	Character	This field should contain the cheque, payable order (PO) or BACS reference number by which the invoice was paid. This means that invoices that have been paid together would have the same cheque/PO/BACS number.
Remarks	Character	This field can be used as a free text field to include information that may assist you when investigating matches.

¹ If a Site ID is provided in the payments history data file, it should also be included on the standing data file so that there is a unique linking field between the two data sets. This will make it possible to establish cumulative payments to individual trade creditor sites (which are attached to the standing data) and to attach the trade creditor names to each transaction on the payments history file.

Housing

To find out who should supply housing data, refer to the Data requirements table (Table 1).

Requirements

- Data should only be provided in relation to residential properties. Do not submit data for garages, sheds, etc. Housing arrears data is not requested for NFI 2010/11.
- Data should be provided for all named tenants, ie first named tenants, joint tenants or other tenants.
- In order to ensure that the submission of data using the new DFU facility is as straightforward as possible, data should be uploaded in two separate files:
 - Current named tenants including those where a right to buy purchase is in progress.
 - Former tenants who completed a right to buy application between 1 April 2007 to the date of extract (4 October 2010), or as a minimum 1 April 2010 to date of extract.

Field name	Data format	Comments	Fields required	
			1	2
Tenant status flag	Character	Revised – insert a flag to indicate where the tenant is first named tenant or other. 'F' for first named or joint tenant; 'O' for second, third, etc named tenant.	✓	✓
Surname	Character		✓	✓
Forename(s)	Character		✓	✓
Address line 1	Character	Where the address is a permanent address.	✓	✓
Address line 2	Character		✓	✓
Address line 3	Character		✓	✓
Address line 4	Character		✓	✓
Post code	Character		✓	✓
Date of birth	Date		✓	✓
National insurance number	Character	New field.	✓	✓
Number living permanently at address	Numeric		✓	
Tenant/account reference	Character	This uniquely identifies the person.	✓	✓
Housing benefit reference	Character	Include the housing benefit reference if applicable.	✓	
Right to buy flag	Character	Insert 'I' in this field to identify where a purchase is in progress (current tenant) under right to buy or a 'C', where the purchase is complete (former tenant).	✓	✓
Tenancy start date	Date		✓	
Tenancy end date	Date	Included as an independent check that only current tenants are included.	✓	
Right to buy completion date	Date			✓

Council Tax and Electoral register (not required until 2011)

Council tax and electoral register data will not be collected again until late 2011.

We will contact bodies in good time about the data specifications and other requirements.

If necessary, councils that have not submitted this data previously can find the 2008/09 data specifications in the 2008/09 handbook for Scotland, available at <http://www.audit-scotland.gov.uk/work/nfi.php>

Insurance claimants

To find out who should supply insurance claimants data, refer to the Data requirements table (Table 1).

Requirements

- Claims data should only relate to personal injury claims, ie 'trip and slips'.
- Claim details from 1 April 2007 to date of extract (4 October 2010) should be provided, or as a minimum 1 April 2010 to date of extract.
- Please note: As in 2008/09, providers of insurance services are being approached to provide insurance data in bulk on behalf of local authorities. An update on this will be provided well in advance of the data submission deadline.

Field name	Data format	Comments
Case/claim reference	Character	
Title	Character	
Surname	Character	This should be the claimant's details, eg not the solicitor.
Forename	Character	
Address line 1	Character	This should be the claimant's home address, eg not the solicitor's address.
Address line 2	Character	
Address line 3	Character	
Post code	Character	
Date of birth	Date	
National insurance number	Character	
Witness title	Character	
Witness surname	Character	
Incident date	Date	
Time of incident	Character	
Nature of incident	Character	Include a brief description only.
Nature of injuries	Character	
Details of financial losses incurred	Character	
Location of incident	Character	
Date claim received	Date	
Insurer	Character	
Estimated cost	Numeric	Revised field name: the full estimated cost should be provided where no actual payments have been made or where only part payment has been made. Solicitors' costs should be excluded.
Actual cost (previously 'Total cost')	Numeric	Revised field name: include actual payments made. Solicitors' costs should be excluded.
Date paid	Date	Provide the date the claim was paid.
Solicitor	Character	
Claims agent or farmer	Character	
Status	Character	Insert an 'O' in this field if the case is still open, 'C' if it is closed or 'R' if it was repudiated.
Name of expert	Character	

Private supported care home residents

To find out who should supply private supported care home residents data, refer to the Data requirements table (Table 1).

Requirements

- Data should relate to current care home residents.

Field name	Data format	Comments
Case reference	Character	
Title	Character	
Surname	Character	
Forename	Character	
Middle name or middle initial	Character	
Address 1	Character	This should be the care home address.
Address 2	Character	
Address 3	Character	
Address 4	Character	
Current address post code	Character	
Date of admission	Date	
Previous address line 1	Character	
Previous address line 2	Character	
Previous address line 3	Character	
Previous address line 4	Character	
Previous address post code	Character	
Date of birth	Date	Better quality matches will be achieved by submitting this data.
National insurance number	Character	

Transport passes and permits (blue badges, residents' parking and elderly and disabled concessionary travel)

To find out who should supply transport passes and permits data, refer to the Data requirements table (Table 1).

Requirements

- In order to ensure that the submission of data using the new DFU is as straightforward as possible, data should now be uploaded in separate files:
 1. Current holders of a residents' parking permit.
 2. Current holders of a blue badge (including local schemes).
 3. Current holders of an NEC elderly or disabled person's travel pass.

Field name	Data format	Comments
Reference number	Character	This should be the internal reference number.
Pass/Permit number	Character	This should be the actual residents' permit, blue badge or travel pass reference number.
Title	Character	
Surname	Character	
Forename	Character	
Middle name or middle initial	Character	
Address 1	Character	
Address 2	Character	
Address 3	Character	
Address 4	Character	
Post code	Character	
Date of birth	Date	
National insurance number	Character	Revised: It is important to provide this field where available in order to improve the quality of the data matching.
Permit start date	Date	
Permit expiry date	Date	
Permit type flag ¹	Character	Insert 'B' in this field to indicate if the data relates to a blue badge, 'R' for a residents' permit and 'F' for Freedom/concessionary travel passes.

¹ This field only needs to be populated if you are unable to submit data in separate files.

Licences¹ (including market trader, taxi driver and personal licences for the supply of alcohol)

To find out who should supply licences data, refer to the Data requirements table (Table 1).

Requirements

- In order to ensure that the submission of data using the DFU is as straightforward as possible, data should be uploaded in three separate files:

- Current holders of a market trader or similar licence.
- Current holders of a taxi driver licence (private hire and Hackney carriages).
- Current holders of a personal licence to supply alcohol from small outlets.²

Field name	Data format	Comments	Fields required		
			1	2	3
Reference number	Character	This should uniquely identify the individual, ie the licence number.	✓	✓	✓
Title	Character		✓	✓	✓
Surname	Character		✓	✓	✓
Forename	Character		✓	✓	✓
Middle name or middle initial	Character		✓	✓	✓
Address line 1	Character		✓	✓	✓
Address line 2	Character		✓	✓	✓
Address line 3	Character		✓	✓	✓
Address line 4	Character		✓	✓	✓
Post code	Character		✓	✓	✓
Date of birth	Date		✓	✓	✓
National insurance number	Character		✓	✓	✓
Premises name	Character	This field is required as a check that data only relates to small outlets.			✓ ⁴
Licence start date	Date	New field.	✓	✓	✓
Licence expiry date	Date	New field.	✓	✓	✓
System type flag ³	Character	Revised: Insert 'M' in this field to indicate the data relates to a market trader/operator, 'T' for taxi driver or 'P' for a Personal licence to supply alcohol.	✓	✓	✓

- This data will primarily be matched to identify undeclared income and recourse to public funds.
- Data relating to major outlets, such as Tesco or Sainsbury's is not required; nor are one-off licences for private events, etc.
- This field only needs to be populated if you are unable to submit data in three separate files.
- Data for this field will be included within the premises database. Data should only be submitted for personal licence holders who are registered at a premise (eg, Designated Premises Supervisor).

Appendix 3.

Data download and submission instructions

Data download

The following checks will minimise the risk of the data having to be re-submitted, which typically can cause a delay of more than a week and results in unnecessary increases in download costs for participating bodies. Ultimately, poor quality data will produce poor quality matches, therefore it is essential that the NFI key contact ensures that:

- a user responsible for submission of the data is nominated. This should be the person with the most knowledge of the system in question
- the data is extracted and submitted by the required deadlines (this is expected to be 4 October 2010 for the new 2010/11 exercise)
- the data is readable and complete. If missing data is available from a second, third, etc system it should be brought across to complete the data submission
- the record layout is consistent with the data specification
- a 'look-up' table is provided that describes the codes used in fields, whether system or manually generated
- in case the data supplied proves unreadable, copies of any intermediate files should be retained so that the data may be re-supplied.

Data submission

A secure electronic upload facility is now available, enabling data for NFI to be submitted direct from local computers. This facility is contained within the existing secure NFI web application and consequently provides the same controlled access environment. It features 128 bit Secure Sockets Layer encryption and enables data files to be password protected.

In addition to significantly strengthening security arrangements, the electronic data file upload facility requests details about the data to be submitted to facilitate a number of checks on the completeness of the data. As well as enabling the user to note any areas where the data download does not meet requirements, for example any blank fields, this feature will also require the user to:

- confirm that the data complies with the specification, including column headers (using underscores_instead_of_spaces) so that it is clear which column is which
- provide details where the data specification has not been followed, for example details of blank fields or date formats that vary from those requested or where unpaid invoices have not been included because transactions are only added to the system when paid
- confirm that, where applicable, all bank account details have been provided

- provide details on the number of rows in the file. The count of rows supplied should be accurately recorded for every file as it helps to ensure that the data extraction is complete.

Data file upload is now the only acceptable method to supply NFI data. If any other method of submission is used, our policy will be to inform the Director of Finance (Senior responsible officer) that data has been put at unnecessary risk.

To take advantage of the data submission facility you need to log in to the NFI secure website (external site) and select the Data File Upload option from the homepage. This will open the 'NFI data submission wizard' and provides prompts throughout the process.

If you require any further guidance on extracting, downloading or submitting data, contact the NFI Data Centre (Synectics Solutions Ltd) via email (nationalfraudinitiative@nfi.gov.uk) or call 01782 664066 or 01782 664057.

Appendix 4.

Data format

Data should be extracted in the following formats:

- Data: ASCII (preferred) or EBCDIC.
- Date fields: ddmmyyyy preferred, but ddmmyy acceptable. If a date separator is used, it can be either a forward slash (/) or a hyphen (-). Some dates can be loaded incorrectly if the month and day is transposed or the year is supplied as two digits instead of four. If your system cannot export dates in this format, then the format used should be recorded when uploading the file.
- Numeric fields: Ensure that any values are supplied in pence without a £ sign, or decimal point (for example, £123.45 as 12345). The use of binary fields should be avoided. If monetary values cannot be supplied, these should be space filled (as for blank fields below). Check that the system used has not appended .00 to the values (eg, 12345.00). Please do not insert a zero.
- Character fields: If a field type is neither a date nor numeric (ie, alpha numeric) this is referred to as a 'character' field for the purposes of this exercise, ie fields such as 'VAT registration number', 'suppliers invoice number' that are a combination of letters and numbers.
- Blank fields: should be space filled for fixed length records. For CSV records, the blank field must still be represented by a delimiter.
- Column headers: Please use column headers in the data files you submit; every column should have a column header which corresponds to the column headers in the NFI Handbook (replace_spaces_with_underscores).
- Excel: There are a number of reasons why you should not export data into Excel, some of the more common reasons are listed below:
 - Numeric strings of 16 digits or more are treated as numbers by default and only the first 15 significant figures are stored.
 - Leading zeros are removed from numeric strings; try typing '01062007' into a cell. This is a very common problem which can affect dates, invoice numbers, bank details, etc.
 - Excel will automatically transform anything that looks like a date, however remotely, into a date. This causes problems with Bank_Sort_Codes using hyphens (type '21-11-97' into a cell) and house numbers if they are supplied in a different column to the street name (eg, '05-07').

Fixed length or character delimited records (eg, CSV) are acceptable. If commas (,) appear within any of the data fields, for example to separate different lines of an address held in one field, an alternative delimiter (such as pipe (|) or tab should be used to separate fields. In the same way if double quotes (") are found in the data (for example, house names), then no text qualifier (encapsulator) should be used.

Appendix 5.

Creditors guiding principles

Introduction

Trade creditors was introduced as a data set in NFI 2006/07. It involved a suite of tests designed to deal with a range of risks from duplicate payments and incorrect VAT payments to potential procurement corruption.

Although successful at identifying duplicate payments across all types and sizes of bodies, poor quality of much of the data submitted hampered the effective follow-up of these matches. The main reason for the poor data quality is that trade creditors is a new and complicated specification requiring more technical knowledge to extract than most other NFI data sets.

Data quality was improved in NFI 2008/09 and this resulted in better quality matches. The general guiding principles are designed to help participating bodies to avoid the common problems experienced with the creditors data set.

The overall message is that spending a little time ensuring that the data download fully meets the specification requirements will significantly improve the quality of the NFI matches fed back, thus enabling a more effective follow-up process.

Data specification requirements

The data specification in [Appendix 2](#) provides an explanation of the requirements for each data field requested. To supplement this we have set out below further clarification on the areas where data quality or content has been poor in previous exercises. It is therefore vital that this additional guidance is read in conjunction with the data specification.

Trade creditor payments history data

Field name	Additional guidance
Site ID	This important new field has been introduced to improve the quality of NFI matches. It is therefore important that, where applicable, this information is provided.
Supplier's invoice number	Only trade creditor payments and credits should be provided. In many cases all payments made through the creditor system were provided in NFI 2006/07, resulting in a significant number of inappropriate matches being generated.
Payment date	Unpaid invoices must be included. In order to allow this, the extract should be based on Invoice Date, not Payment Date.
Total invoice amount	The 'total invoice amount' must be inclusive of VAT, less any discount. A number of bodies provided this net of VAT, which caused spurious matches to be generated. Credits must be submitted and should have a negative value.
Method of payment	This information allows us to confirm that bank account details have been provided in all relevant cases.
Payment reference number	This information allows us to confirm that bank account details have been provided in all relevant cases.

Trade creditors standing data

Field name	Additional guidance
Creditor reference	Information should only be provided for active suppliers. Dormant, archived or suspended supplier information should be excluded.
Site ID	This important new field has been introduced to improve the quality of NFI matches. It is therefore important that, where applicable, this information is provided.
VAT registration number	Please ensure that this information is provided wherever it is available. In some cases the information provided for NFI 2006/07 was not actually the VAT registration number, for example tax code information was inadvertently provided.

Data format guidance – creditors

- The fields in the creditors standing and history data specifications are mandatory. However, in exceptional circumstances where data is not available (ie, because the financial systems you use do not hold it), please leave the field blank. In other words the file header should be provided and this column left blank. Details of any blank fields should be recorded when uploading the file. Please note – missing data will inevitably reduce the quality of the output.
- If you have migrated to a different creditor payments system within the period for which the data has been requested, to avoid any spurious matches, only submit standing data from the new system and history data from the date of migration. This should be recorded when uploading the file.
- Where separate creditor systems are in operation, eg for different creditor types or departments, the same data specification should be used for each system, thus producing more than one set of data for uploading.
- One record per creditor; for example, if a creditor has changed address you should only send the record containing the current address.
- If it is easier to provide some of the data in separate files (eg, bank details/payment dates), then there should be key fields (ie, creditor reference/Site ID or internal/system invoice number) in each file to ensure that all the details are linked together correctly.

National Fraud Initiative in Scotland – 2010/11

Instructions for participants

If you require this publication in an alternative format and/or language, please contact us to discuss your needs.

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