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By email: publicaudit.committee@parliament.scot

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Thank you for your letter of 1 April, addressed to the Parliamentary Secretary, Heather Wheeler M.P., regarding the expansion of the National Fraud Initiative (NFI) Data Matching Powers and the new Code of Data Matching Practice. I am responding as this matter falls within my role as Minister for Government Efficiency.

As you are aware, the Cabinet Office currently operates the NFI for England and on behalf of Audit Scotland, Audit Wales and the Northern Ireland Audit Office. The Cabinet Office is the joint controller of all data from devolved administrations within the NFI system.

Data matching for the prevention and detection of fraud is enacted across all relevant UK and devolved legislation, allowing for the Cabinet Office to undertake data matching across organisations across the UK and share the insights from data matching with relevant bodies, for the prevention and detection of fraud.

The Cabinet Office has consulted on extending the capabilities of the NFI to the additional purposes set out in the Local Audit and Accountability Act 2014, in recognition of the benefits available. The Government response is currently being drafted and the Cabinet Office will engage with Audit Scotland, as well as Audit Wales and the Northern Ireland Audit Office, ahead of publication.

This consultation related to extending the NFI to additional purposes in the context of England only, as the relevant sections of the Local Audit and Accountability Act, which provides the legislative framework for the NFI, apply to England.

The Cabinet Office recognises that Scottish Parliament legislation already permits data matching for the purposes of the prevention and detection of crime other than fraud and the apprehension and prosecution of offenders.

If the Government were to extend the NFI to any of the new purposes, it would be possible for the NFI to facilitate data matching on behalf of Audit Scotland. However, this would only be for purposes provided for across both Scottish legislation and UK Parliament legislation. This same arrangement would also apply for Audit Wales and the Northern Ireland Audit Office.

If the Scottish Government wished to further extend the purposes for data matching for Scotland beyond those already held, it would be necessary to further amend the Public Finance and Accountability (Scotland) Act 2000 or introduce alternative legislation.

My officials look forward to engaging with officials in Audit Scotland on the possible expansion of the NFI to additional purposes.

With every good wish,

Yours sincerely,

Janet Derry.