

06 October 2026

Neil Bibby MSP  
Convener  
Public Audit Committee  
Scottish Parliament  
By email

Dear Convenor

When giving evidence to the committee on 24 September 2026 on Audit Scotland's report The National Fraud Initiative in Scotland 2026 (NFI), my colleagues and I committed to sharing additional information with you in response to a query from a committee member.

### **Gross expenditure of NFI participants**

The 2026 NFI report presents the results of the biennial NFI data matching exercise for 2024/25. In 2024/25 auditors appointed by the Auditor General for Scotland and Accounts Commission audited 253 sets of public accounts.

The total number of accounts is higher than the number of public bodies in Scotland as some bodies are responsible for producing more than one set of annual accounts such as pension funds, joint and partnership boards, and charitable trusts.

In 2024/25, we mandated 127 bodies to take part in the NFI:

- Local government: 32 councils (including the 11 Local Government Pension Scheme funds administered by councils), Strathclyde Partnership for Transport and Tayside Contracts (34 in total).
- Further education: Scotland's 19 incorporated colleges.
- Central Government: 50 central government bodies. 35 of these bodies were expected to submit data from their own systems, whilst the Scottish Government submitted payroll and creditors data on behalf of another 15 bodies who use Scottish Government systems.
- Health: 23 health bodies, consisting of 14 territorial boards, 8 special boards and 1 public health body (with the Scottish Government also submitting payroll and creditors data on behalf of the Mental Welfare Commission).

In addition to mandated bodies, Audit Scotland submits its own data, and many councils also submit payroll data for their arm's-length external organisations (ALEOs) and for Valuation Joint Boards.

We were asked to provide the gross expenditure of the various bodies that participated in the 2024/25 NFI exercise.

Gross expenditure will, however, overstate total spending due to double counting elements of funding. For example, the funding provided by the Scottish Government to councils will feature within both the Scottish Government's consolidated accounts and in councils' accounts.

As discussed during the committee session, the total gross expenditure of participating bodies is also not equivalent to the value of transactions included in the NFI data matching exercise. The matching exercise covers specific datasets submitted by participants, rather than all expenditure incurred by those bodies.

Gross expenditure for 2024/25 across the sectors included in the NFI exercise totalled around £91 billion and is set out by sector below.

| <b>Sector</b>                               | <b>Gross expenditure 2024/25 (£m)</b> |
|---------------------------------------------|---------------------------------------|
| Local Government                            | 34,947                                |
| Colleges                                    | 823                                   |
| Health                                      | 33,614                                |
| Central Government                          | 56,317                                |
| <i>Of which relates to Health</i>           | <i>(20,539)</i>                       |
| <i>Of which relates to Local Government</i> | <i>(14,345)</i>                       |
| <b>Total</b>                                | <b>90,817</b>                         |

*Notes: 1. Due to delays to 2024/25 accounts for three councils we have supplied gross expenditure figures largely based upon the Scottish Government's 'Scottish local government finance statistics (SLGFS) 2024-25' publication. 2. College expenditure figures are gross expenditure for Scotland's 19 incorporated colleges on a single entity basis for academic year 2024/25. 3. Health figures are consolidated gross expenditure figures for Scotland's NHS boards. 4. As a proxy for Central Government, we have presented the Scottish Government's final outturn position for 2024/25, adjusting the total for the Health & Care and Finance & Local Government portfolios which are largely directed to NHS boards and councils.*

### **Concessionary Travel - clarification**

During the evidence session we stated we were confident that all adult concessionary travel passes, including those granted under the free bus pass for under 22-year-olds, were subject to checks as part of the NFI.

We can now confirm that this is the case and that concessionary travel cards issued to anyone over the age of 18 are subject to data matching.

Travel passes for those under 18 do not form part of NFI data matching.

Yours sincerely

**John Cornett**  
**Executive Director, Audit Services**