



Public Sector
Fraud Authority



Cabinet Office



HM Treasury

Public Sector Fraud Authority

2023/24 Delivery

Alternative format versions of the report are available on request from the Public Sector Fraud Authority: PSFA@cabinetoffice.gov.uk

Public Sector Fraud Authority

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Ministerial Foreword

Fraud against the public sector is a crime that impacts us all. It affects the quality and quantity of public services and ultimately damages those who we as a society should protect the most.

Therefore, the government and I are committed to tackling fraud against the public sector and it is through the work of the Public Sector Fraud Authority (PSFA) that we are focusing our efforts.

The PSFA was launched in August 2022 with an extra £25 million of funding to improve the performance of departments in tackling fraud, expand the breadth and depth of counter fraud knowledge and to ensure the Treasury and the centre of the counter fraud function were unified in their mission to tackle fraud.

In their first year the PSFA achieved a lot: we announced the Partnership between the PSFA and the Commonwealth Fraud Prevention Centre, designed and recruited a new Risk, Threat and Prevention Service, and developed and agreed the first Professional Standard in Fraud Prevention.

This plan for 23/24 outlines where the PSFA will go next. Where it will use data and technology to identify fraud, how it will build a pipeline of counter fraud talent and when it will begin to directly pursue fraudsters.

The challenge is not yet over, but through the PSFA the government will continue to fight fraud against the public purse.

Baroness Neville-Rolfe DBE CMG
Minister of State



Fraud against the public sector is a crime that impacts us all



Introduction from the Chief Executive

When fraudsters target the public sector, they take money away from, and damage public services. The Public Sector Fraud Authority (PSFA) was introduced to transform and modernise how departments and public bodies deal with fraud against the public sector.

When considering fraud, we know that many fraudsters are capable and committed. When they target public services, they are constantly evolving their approaches and methods. Our plan is underpinned by our experiences in the pandemic, when fraud levels rose, and builds from the foundations that have been laid by the Counter Fraud Function in government since 2018.

We have an opportunity to create a sea change in careers in fighting economic crime. Many people who work in counter fraud roles came to those roles by chance rather than by design. We, through the world's first Counter Fraud Profession, with its standards and qualifications, can create opportunities and career paths to make fighting fraud and corruption a sought after vocation and career.

The UK led the creation, and is an active member, of the International Public Sector Fraud Forum. This brings together fraud experts from Australia, Canada, New Zealand, the United Kingdom and the United States. Our approach is underpinned by this international experience and leading practice.

This plan shows some of our key deliverables for this financial year - April 2023 to March 2024 - as we work with departments and public bodies to better understand, and reduce the impact of fraud against the public sector.

Mark Cheeseman OBE
Chief Executive, Public Sector Fraud Authority



The creation of the Public Sector Fraud Authority represents a landmark in our fight against public sector fraud

Government is increasing its ambition in reducing the impact of fraud

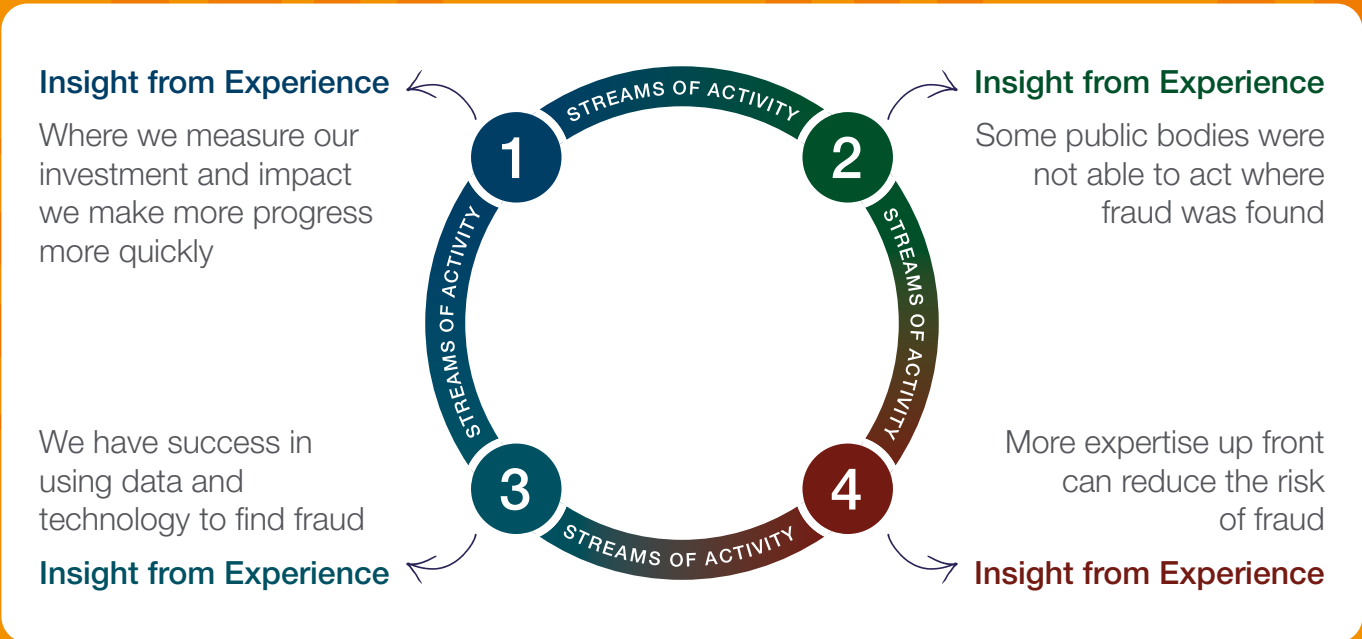
The Public Sector Fraud Authority works with departments and public bodies to better understand and reduce the impact of fraud against the public sector. This work is underpinned by insights gained from our experience in the pandemic.

These insights are reflected in the four streams of activity in our plan:

- Stream 1** → We will get more fraud expertise in up front and make a step change in how government prevents fraud
- Stream 2** → We will take more, and better, action where fraud occurs
- Stream 3** → We will increase the use of data and intelligence to find, stop and recover fraud action where fraud occurs
- Stream 4** → We will resolutely focus on performance and outcomes

These are supported by a fifth stream:

- Stream 5** → We will strengthen key building blocks for counter fraud work across government



Our Plan

The government has invested an additional £1bn in reducing fraud and error loss since March 2021. Of this, £24.7m was invested in a Public Sector Fraud Authority (PSFA) to work with departments and public bodies to better understand and reduce the impact of fraud.

The PSFA was launched in August 2022. In the first 6 months, the PSFA’s focus was on designing and building its new services and functions. We set and published 21 objectives and a target of £180m in recognised, audited benefits. We will report on progress against these objectives in our Annual Report, which will be published later in 2023.

This year’s plan builds on this design work. While the PSFA continues to build, it will also increasingly deliver - providing both supportive services and reviews of the efforts of

departments and public bodies. It will also continue to drive an increase in capability across the public sector, with new qualifications and training courses, and more public servants completing them. This year, the PSFA has a budget of £12.7m.

We know there is a great opportunity to reduce fraud and error loss. Our estimate, released in the Fraud Landscape Report in March 2023, indicates the challenge for the government in taking action on fraud against the public sector remains significant. Our estimate (including tax and welfare) is that every year at least £33.2bn of taxpayers’ money is subject to fraud and error. The more we can take action on this, the most we can reduce the cost of public services and reduce what is often criminal activity to the detriment of honest taxpayers.

In its plan for 2023/24 the PSFA commits to 27 objectives to improve capability and performance in finding and reducing fraud against the public sector, and to recognising £185m in audited benefits from its services.

Five Principles of Fraud and Corruption - International Public Sector Fraud Forum

The International Public Sector Fraud Forum (IPSFF) currently consists of representatives from organisations in the governments of Australia, Canada, New Zealand, the United Kingdom and the United States. The collective aim of the Forum is to come together to share best and leading practice in fraud management and control across public borders.



Stream 1: We will resolutely focus on Performance and Outcomes

We will:



Increase our ambition in counter fraud

Agree financial impact targets and action plans with public bodies and monitor performance against them.



Understand effort and outcomes

Repeat and update the analysis of counter fraud investments and outcomes across central government.



Getting the basics right

Review fifteen public bodies against the Government Counter Fraud Functional Standard.



Understanding the evidence base

Review the evidence base for fraud and error, including loss in the pandemic support schemes.



National Audit Office

“Government does not have a methodology for establishing the return on its counter-fraud and corruption investment as a whole.”

NAO Report on Fraud and Corruption Against Government

Stream 2: We will take more, and better, action where fraud occurs

We will:



Finalise the design of the Enforcement Service to support departments and public bodies to take action in cases of fraud.



Recruit and procure the expertise for the Enforcement Service



Launch the Enforcement Service and start the first investigations



Pursue opportunities for improving powers to take action on fraud, including securing Proceeds of Crime Act powers.



Refresh the Government Counter Fraud Profession's Professional Standards for Investigation and Intelligence.



The NAO Report on Fraud and Corruption Against Government in March 2023 recommended that:

“Government needs to design out fraud and corruption from its processes and systems. One of the key lessons from government’s COVID-19 response is the need to design counter-fraud measures, including controls, reporting and recovery, into new initiatives at an early stage of the policy cycle.”

The PSFA has a target of **£185m** in recognised, audited benefits from its services

Stream 3: We will better use data and technology to find, stop and recover fraud

We will:



Create and deploy the Single Network Analytics Platform, onboard three public bodies and create five test models.



Deliver counter fraud analytics services to public bodies through the National Fraud Initiative (NFI) and C-19 Loans Support Service.



Design and launch a new intelligence model to help public bodies access and develop intelligence on fraud.



Complete the review of the Digital Economy Act and commence eight new data sharing pilots using its powers.

NAO Report on Fraud and Corruption Against Government in March 2023

Detecting and pursuing fraudsters and corrupt officials is important for the provision of justice, to provide intelligence on what frauds and corruption are occurring and to act as deterrent for others.

Cost-effective prevention approaches require far better use of data and information for governance, intelligence and best-practice sharing, data on detected frauds, and data-matching for both detection and prevention purposes.



Stream 4: We will get more fraud expertise in up front and make a step change in how fraud is prevented

We will:



Launch the Risk, Threat and Prevention Service - opening it to provide support to departments and public bodies. This service will support public bodies in understanding their risks and improving their preventative controls.



Provide support to public bodies completing Initial Fraud Impact Assessments and Fraud Risk Assessments.



Double the number of qualified fraud risk assessors in public bodies to 200.



Develop and launch a new qualification for measuring the extent of fraud, in line with the Counter Fraud Profession's standard.



Redevelop the Civil Service Fraud Awareness training programme.



Further develop the Global Fraud Risk Assessment and High Risk Portfolio, improving understanding of risk across government.

Stream 5: We will strengthen key building blocks for counter fraud work across government

We will:



Legislation

Prepare potential new legislation to help combat fraud against the public sector and seek to secure Proceed of Crime Act powers.



International Fraud Forum

Deepen collaboration with our Five Eyes partners, hosting the International Public Sector Fraud Forum 2023.



Update the Strategy

Publish an updated Counter Fraud Functional Strategy for those working to counter fraud across government.



Celebrate Success

Celebrate the impact of those who fight fraud, including hosting the Annual Public Sector Counter Fraud Awards.



Shared Practice

Bring together fraud leads across government to share practices through a reinvigorated Champions Network.



Harness Expertise

Continue to develop and utilise the expertise of our Advisory Panel.

We will also continue to develop capability across government, by starting to deliver on the new, three year, strategy for the Counter Fraud Profession.

“Develop capability in the public sector to find, prevent and respond to fraud and error - both organisationally and individually.”
Extract from PSFA Mandate



Annex 1: PSFA Objectives

1. **Deliver £185m** in recognised, audited benefits from its services.
2. **Agree financial impact targets and action plans** with public bodies and monitor performance against them
3. **Repeat and update the analysis of counter fraud investments and outcomes** across central government.
4. **Review fifteen public bodies** against the Government Counter Fraud Functional Standard.
5. **Review the evidence base for fraud and error**, including loss in the pandemic support schemes
6. **Finalise the design of the Enforcement Service** to support departments and public bodies to take action in cases of fraud.
7. **Recruit and procure the expertise** for the Enforcement Service.
8. **Launch the Enforcement Service** and start the first investigations
9. **Pursue opportunities for improving powers** to take action on fraud, including securing Proceeds of Crime Act powers.
10. **Refresh the Government Counter Fraud Profession's** Professional Standards for Investigation and Intelligence.
11. **Create and deploy the Single Network Analytics Platform**, onboard three public bodies and create five test models.
12. **Deliver counter fraud analytics services** to public bodies through the National Fraud Initiative (NFI) and C-19 Loans Support Service.
13. **Design and launch a new intelligence model** to help public bodies access and develop intelligence on fraud.
14. **Complete the review of the Digital Economy Act** and commence eight new data sharing pilots using its powers.
15. **Launch the Risk, Threat and Prevention Service** - opening it to provide support to departments and public bodies.
16. **Provide support to public bodies** completing Initial Fraud Impact Assessments and Fraud Risk Assessments.
17. **Double the number of qualified fraud risk assessors** in public bodies to 200.
18. **Develop and launch a new qualification** for measuring the extent of fraud - in line with the Counter Fraud Profession's standard.
19. **Redevelop the Civil Service Fraud Awareness** training programme.
20. **Further develop the Global Fraud Risk Assessment and High Risk Portfolio**, improving understanding of risk across government.
21. **Deepen collaboration with our Five Eyes partners**, including hosting the International Public Sector Fraud Forum 2023 to share leading practice.
22. **Publish an updated Counter Fraud Functional Strategy** for those working to counter fraud across government.
23. **Bring together fraud leads across government** to share practices through a reinvigorated Counter Fraud Champions Network.
24. **Continue to develop and utilise the expertise** of our Advisory Panel.
25. **Open the Counter Fraud Leadership Programme** for leaders of fraud responses in government to new entrants.
26. **Produce 3 new leading practice guides** for those fighting fraud and **hold 6 technical events** for Counter Fraud Profession members.
27. **Celebrate the impact of those who fight fraud**, including hosting the Annual Public Sector Counter Fraud Awards.