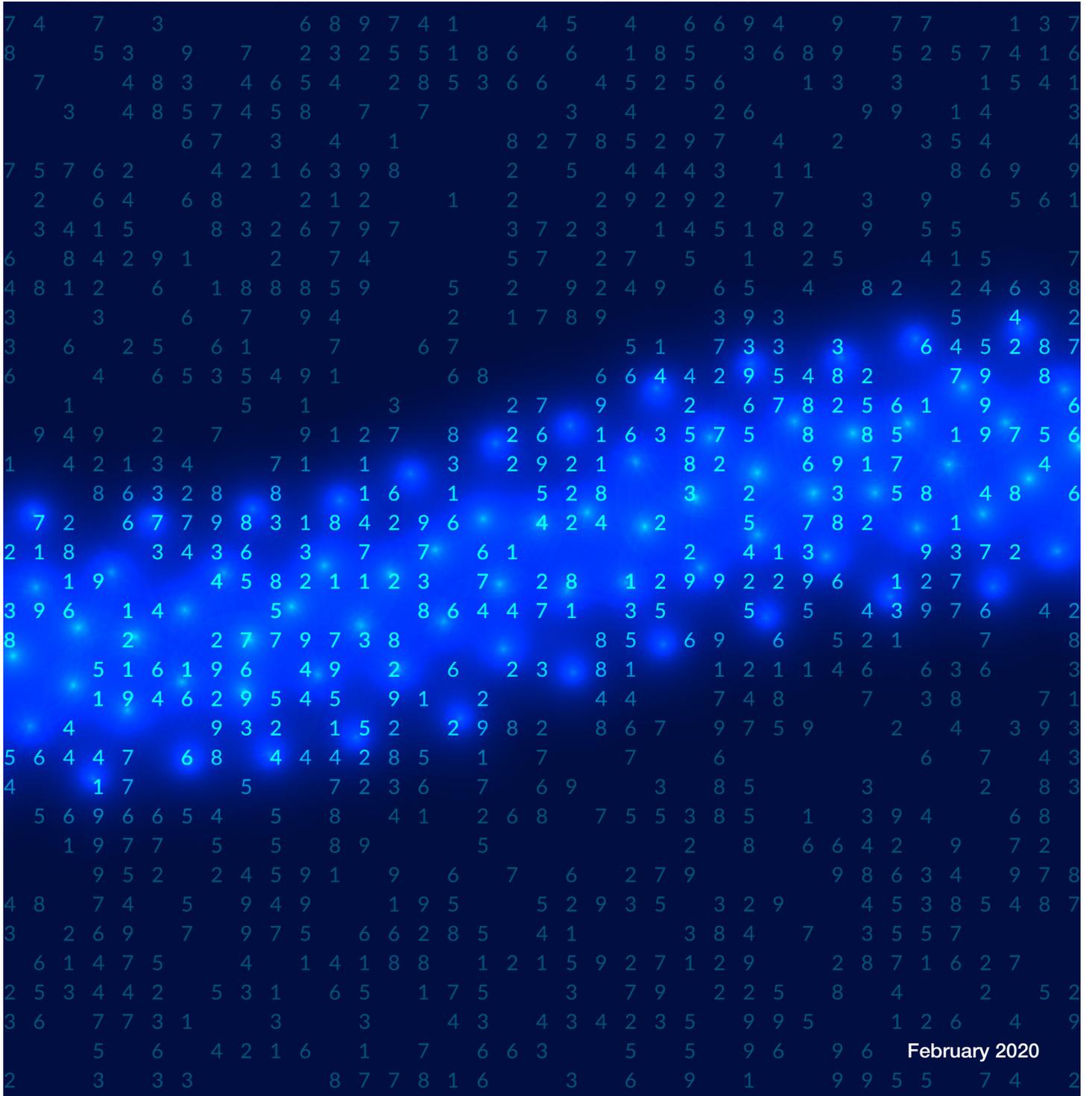




Cross-Government Fraud Landscape Annual Report 2019



Alternative format versions of this report are available on request from the Counter Fraud Centre of Expertise: fed@cabinetoffice.gov.uk

Cabinet Office

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Chief Executive of the Civil Service



Sir John Manzoni

Chief Executive of the Civil Service and Cabinet Office
Permanent Secretary

In 2018, I announced the establishment of the government's Counter Fraud Function to support government in delivering greater efficiency and effectiveness. Since then, organisations from across the function have come together to tackle one of our most important priorities.

Functions bring people from across government together towards a common purpose. They set functional standards, develop capability and provide expert advice to help public bodies to perform efficiently.

In 2018-19, senior leaders from across the government's Counter Fraud Function came together to agree a Counter Fraud Functional Strategy that will shape their combined efforts until 2023.

In the same period, more public bodies have increasingly adopted the Counter Fraud Functional Standard, 123 in all. This is part of a wider step change in how the public sector manages the risk of fraud.

In October 2018, we launched the world's first public sector Counter Fraud Profession to develop our people and increase the capability of those working in counter fraud. In the first year the membership base of the profession has grown from 3,187 to 3,807 members. And as we continue to rollout the profession, more of our people will benefit from having defined career paths in counter fraud.

We are committed to bringing new talent into the public sector to help counter fraud - and in September 2019, we launched the Government's first Counter Fraud Investigator Apprenticeship Scheme. This scheme provides individuals with a structured career path in a Civil Service that is ranked top-performing in the world.

In summary, 2018-19 marks a strong year of progress, and it is encouraging to see how the Counter Fraud Function is supporting the government's objective of finding more fraud.

As we turn our focus to 2020, organisations from across government will continue their work in helping to fight economic crime and protect public services.

Key highlights

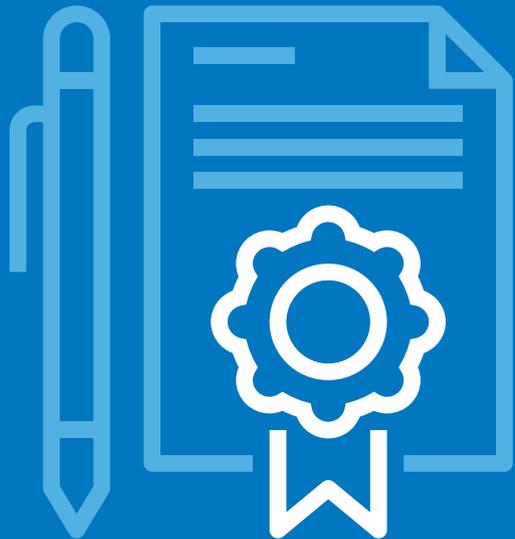
The Counter Fraud Function in Context:

“

Our mission:

Fraud is a hidden crime and to fight fraud you have to find it.

”



“

Our vision:

Working across government to make the UK the world leader in understanding, finding and stopping fraud against the public sector.

”



Our scale and reach...



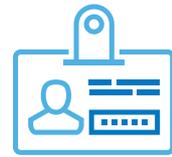
123

organisations adopting the Counter Fraud Functional Standard (+119% v 2018)¹



c.15,000

people in counter fraud roles (incl. HMRC and DWP)



3,807

members of the Government Counter Fraud Profession (incl. HMRC and DWP)

Our impact...



£474m

of detected fraud outside of the tax and welfare system in the past 5 years

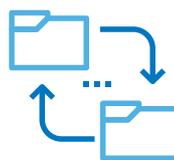


Our evidence base...



53

informed by 53 loss measurement exercises since 2014²



41

supplemented by the learnings and findings from 41 data sharing pilots³



5 years

of loss data collection on UK public sector fraud and error

Our challenge...



£2.8bn-£22.6bn

estimated loss per annum⁴

- 1 Versus those adopting the standard in 2018 (57 government organisations).
- 2 On spend areas outside of tax and welfare.
- 3 Across government (27 pilots delivered by the National Fraud Initiative since 2015, and 14 by the Counter Fraud Centre of Expertise since 2017).
- 4 2017-18 central government estimate (excluding tax and welfare).

“
We aim to be the
most transparent
government globally
in how we deal with
public sector fraud
”



Cabinet Office

Executive Summary

Scope of report

This report focuses on the public sector fraud landscape in central government and the progress we are making to tackle fraud and error loss outside of the tax and welfare system⁵.

In this year’s publication, we report on the 2017-18 and 2018-19 data trends and highlight the work that we are doing across government, and as the Counter Fraud Function to fight economic crime and protect public services.

We also report on the key activity from 2018-19, as led by the Cabinet Office Counter Fraud Centre of Expertise including:

- the progress made to embed the Counter Fraud Functional Standard across the function;
- how government departments and their arm’s-length bodies are performing against the Counter Fraud Functional Standard;

And how we are:

- building and increasing counter fraud capability across government;
- delivering expert advice to support departments and their arm’s-length bodies in finding more fraud;
- unlocking the power of data to tackle fraud; and,
- working with our international partners and bringing further expertise to the UK.

Our functional vision

Working across government to make the UK the world leader in understanding, finding and stopping fraud against the public sector.

Our functional priorities

In 2018-19, senior leaders from across the government’s Counter Fraud Function came together to agree a Counter Fraud Functional Strategy until 2023. The five focus areas are:



Building capability across government and supporting organisations to evolve



Innovating in intelligence sharing and the use of data



Increasing our understanding of risk and threat, and using this to design out opportunities for fraud where possible



Close working with cyber security on shared threats and opportunities



Minimising loss in the areas where there is known loss

Government transparency

We aim to be the most transparent government globally in how we deal with public sector fraud. And as such, we are publishing this report to demonstrate our commitment to transparency and openness.

5 HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) already report on progress annually covering areas including: fraud and error in the benefits system and activity in tax compliance (see [GOV.UK](https://www.gov.uk)).

Performance highlights

Government is making progress against its objective of finding more fraud

Fraud is a hidden crime and to fight fraud you have to find it. Finding fraud helps organisations to accept it, and understand it. In the past 5 years, government departments and their arm's-length bodies have continued to make progress against the government's objective of finding more fraud. In total £474m of detected fraud has been found in the past 5 years, of which £250m (or 53%) in the past 2 years.

In 2017-18 the levels of detected fraud included the impact of a 3-year fraud spend audit in defence spending. This activity now occurs in-year, and future savings are reported in the same financial year. This meant that the level of 2017-18 detected fraud was artificially high.

Our overall performance in terms of detected fraud reflects the work that government departments and their arm's-length bodies have done to improve the comprehensiveness of loss reporting, whilst also adopting new standards and measures to proactively find fraud.

Highlights: 2017-18 to 2018-19

| | 2017-18 | 2018-19 | Net Difference | % Change |
|---------------------------------------|--------------|--------------|----------------|------------|
| Detected Fraud | £151m | £99m | -£52m | -34% |
| Detected Error | £67m | £106m | £39m | 58% |
| Total detected fraud and error | £218m | £205m | -£13m | -6% |
| Prevented | £36m | £50m | £14m | 39% |
| Recoveries | £47m | £99m | £52m | 111% |

Instances of suspected and reported fraud are increasing

In 2018-19 government departments reported a 21% increase in the number of allegations of suspected fraud compared to the levels in 2017-18 (8,361). In total 10,116 allegations were reported in 2018-19. The increase in the volume of suspected fraud remains a key indicator of our ability to reinforce the right culture, where we acknowledge that fraud exists, and where staff are confident in identifying and reporting fraud. The data also shows that the fraud threat is constant and there is no evidence to suggest this trend is abating⁶.

More organisations have adopted and implemented the Counter Fraud Functional Standard

In 2018-19 the number of organisations working towards the full implementation of the Counter Fraud Functional Standard increased by 119%. In total, 123 government organisations are committed to using the Counter Fraud Functional Standard as the basis for managing fraud, bribery and corruption risk (an increase of 68 organisations versus 2018).

Since it was first reported last year, there has been a notable improvement in the number of organisations meeting the Counter Fraud Functional Standard. The average compliance level for organisations adopting the Counter Fraud Functional Standard in 2018 stood at 90% for departments, and 84% for arms-length bodies⁷.

The Counter Fraud Centre of Expertise and the Government's Internal Audit Agency (GIAA) have supported organisations to adopt and implement the Counter Fraud Functional Standard in line with the Counter Fraud Functional Strategy.

⁶ Versus 2016-17 (11,503 allegations of suspected fraud were reported outside of tax and welfare).

⁷ Based on 55 organisations that adopted the Counter Fraud Functional Standard in 2018.

Activity was also led from departmental fraud teams and the Audit and Risk Committees of individual organisations, who focused on embedding the Functional Standard as part of their approach to managing risk.

We are sharing best practice to better protect the public sector

In 2019 government continued to share best practice through a growing network of Counter Fraud Champions. This group is comprised of the leads that are responsible for championing fraud and corruption in their respective organisations. The group meets quarterly and is chaired by the Cabinet Office Counter Fraud Centre of Expertise. This year’s content focused on anti-corruption, fraud prevention, fraud data analytics and internal fraud with input from the following organisations:

| | |
|---|---|
|  <p>Home Office</p> | <p>Joint Anti-Corruption Unit</p> |
|  | <p>Economic Crime Academy</p> |
|  | <p>Centre for the Protection of National Infrastructure</p> |
|  | <p>Transparency International UK</p> |
|  | <p>Government Digital Service</p> |
|  | <p>Counter Fraud Data Analytics Development Team</p> |

In other areas, the Cabinet Office in conjunction with GovNet hosted the national counter fraud conference. This event brought counter fraud specialists from across the public sector together to share in the challenges facing the UK public sector, with special guests from overseas governments.

We are transforming the way fraud is managed

In the 2018 Cross-Government Fraud Landscape Annual Report we announced the establishment of the Counter Fraud Function, comprised of the individual functions, business units or areas of activity that undertook counter fraud and corruption work across government.

The Counter Fraud Function is one of government’s fourteen functions. It works closely with the other functions such as Finance, Commercial, Grants Management and Project Delivery, and brings together those who work to find and fight fraud across the public sector.

In 2018-19, the senior leaders for counter fraud, representing government departments and their executive agencies came together to agree a Counter Fraud Functional Strategy and a vision to guide our efforts until 2023.

The strategy recognises the wider capability challenges that government faces in tackling public sector fraud, including the drivers of fraud; the impact of new technologies; the increased threat, and the diversity of methods used by fraudsters to attack the public sector.

The Functional Strategy co-exists alongside individual departmental strategies (which are distinct to the challenges that each organisation faces in countering fraud) – and has been developed to ensure there is a common cross-cutting direction of focus.

Progress against the Functional Strategy is monitored by the Counter Fraud Functional Board – who is jointly accountable for the delivery of the strategy – and is responsible for ensuring there is progress against the five key objectives.

We are building and increasing our counter fraud capability

In 2018 government launched the world's first Counter Fraud Profession to provide a common structure for developing counter fraud capability across government. Since its launch, the membership base of the profession has steadily increased to include staff working in investigation and intelligence roles from 3,164 to 3,807 in a year – with more to follow over the next 12-24 months. Organisations joining the profession under this transition phase are required to have a learning environment in place that supports individuals to develop and maintain the professional standards and competencies against the disciplines launched thus far. All of these learning environments have been assessed against the standards of the profession by an Advisory Panel.

In addition, we have explored options to introduce specific qualifications to the profession as part of our long-term vision to have the most highly skilled, and professionally competent counter fraud workforce. It's an ambitious vision and one that we are determined to deliver if we are to fully recognise those who play such a vital role in helping to protect the public sector - whilst also building a sustainable and diverse workforce.

As well as putting the structures in place to professionalise our staff, government launched the Counter Fraud Investigator (CFI) Apprenticeship Scheme. This provides individuals with a direct entry route into the Government's Counter Fraud Profession, and a career pathway into counter fraud at practitioner level. The CFI Apprenticeship

Scheme is the first professional qualification to be launched as part of the Government's Counter Fraud Profession. The Institute for Apprenticeships & Technical Education approved the scheme for delivery on the 30th September 2019⁸.



In 2018 government launched the world's first Counter Fraud Profession to provide a common structure for developing counter fraud capability across government



We are unlocking the power of data to tackle fraud

In 2017 government passed new powers under the Digital Economy Act to enable public authorities to share personal data to prevent, detect, investigate and prosecute public sector fraud. Since then, the Counter Fraud Centre of Expertise has delivered 14 data sharing pilots (including 3 under the Digital Economy Act) with the aim of supporting organisations to increase the detection of fraud. In 2018-19, 7 data pilots were delivered, focusing on the potential for fraud in areas including:

- Shadow Accounting and Corporate Structure Fraud;
- Student Finance awards in Wales and Scotland;
- The Young Farmers Start-Up Grant Scheme; and,
- Help to Buy.

In 2018-19, all 7 data sharing pilots found fraud, increasing the total number of pilots finding fraud to 86% over the past 2 years (12 out of 14).

In June 2019 the Counter Fraud Centre of Expertise published a thought paper on Tackling Fraud in Government with Data Analytics. This paper was developed to consolidate learning and encourage collaboration because the use of data to find fraud is a quickly evolving discipline. In addition, government identified 5 key challenges for the effective use of data to tackle fraud across government. These challenges include: data quality; data access; data mindset; data capabilities and data ethics. This research will help inform the government's future data strategy after a cross-industry perspective is obtained.

We are continuing to build our evidence base

The Counter Fraud Centre of Expertise (The Centre) has been building the evidence base on UK public sector fraud since 2014. This is used to inform decisions on public sector fraud policy. In 2018-19, The Centre continued to strengthen the evidence base through loss data collection and loss measurement activity. The evidence base is also used to produce the official public sector fraud and error loss estimate for central government spend outside of the tax and welfare system.

As a result of this work, government estimates that fraud and error loss outside of the tax and welfare system cost central government between £2.8bn and £22.6bn in 2017-18.

This estimate includes the range of losses that could reasonably be expected to exist in areas of unmeasured spend using the 0.5% to 5.0% range as first published in the 2018 Cross-Government Fraud Landscape Annual Report⁹.

We are working with our international partners and bringing further expertise to the UK

UK Government launched the International Public Sector Fraud Forum (The Forum) in 2018 and since then the founding members from the Five Eyes (consisting of senior representatives from organisations in the governments of Australia, Canada, New Zealand, the United Kingdom and the United States) have come together to share leading practice and contrasting models on tackling public sector fraud.

In 2018-19 The Forum members delivered a programme of work, which included:

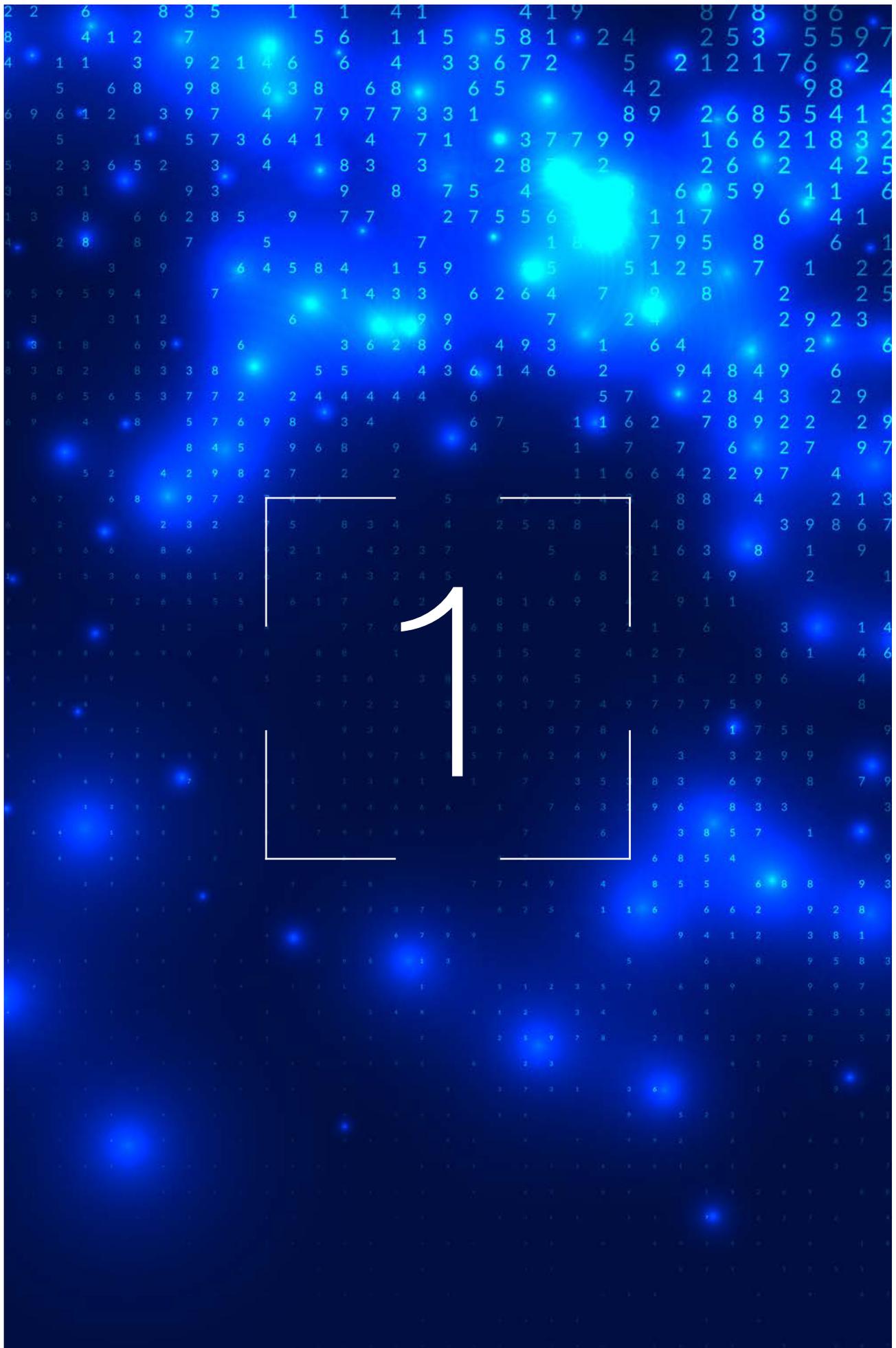
- Bilateral discussions;
- Official visits; and,
- producing A Guide to Managing Fraud for Public Bodies.

The Guide to Managing Fraud for Public Bodies combines leading practice from experts in the Five Eyes, helping public bodies across the world to manage fraud and corruption.

In other areas, the UK Government worked closely with the Australian Government's Attorney-General's Department to advise on the creation of a Counter Fraud Centre of Expertise. A pilot proposal, modelled on the UK's Counter Fraud Centre of Expertise was approved for implementation in March 2019.

The Forum members again attended the annual weeklong International Public Sector Fraud Forum meeting in London in February 2019, and presented at the national counter fraud conference. These events brought counter fraud leaders and specialists from overseas governments together.

9 <https://www.gov.uk/government/publications/cross-government-fraud-landscape-annual-report-2018>



Part one – Definitions of fraud and error

Reporting on fraud

In 2014 government introduced fraud definitions and typologies to provide a consistent approach for the reporting of fraud and error in the public sector.

To ensure a consistent approach government applies the legal definition of fraud (as set out in the Fraud Act 2006):

“The making of a false representation or failing to disclose relevant information, or the abuse of position, in order to make a financial gain or misappropriate assets”

Government departments and their arm’s-length bodies report against the definition using a civil test. They consider on the balance of probabilities whether or not an action or inaction was likely to have been taken with the intention of defrauding the taxpayer.

Cases are therefore reported as fraud where the department judges it was more likely than not that fraud has occurred. Cases do not need to be proved to a criminal standard to be reported as fraud.

Reporting on error

Government defines error as losses arising from unintentional events, processing errors and official government errors. Such losses are judged to be without fraudulent intent. For example, if an incorrect account was paid and it was judged on the balance of probabilities that fraud had not occurred, then it would be classified as error.

Reporting loss

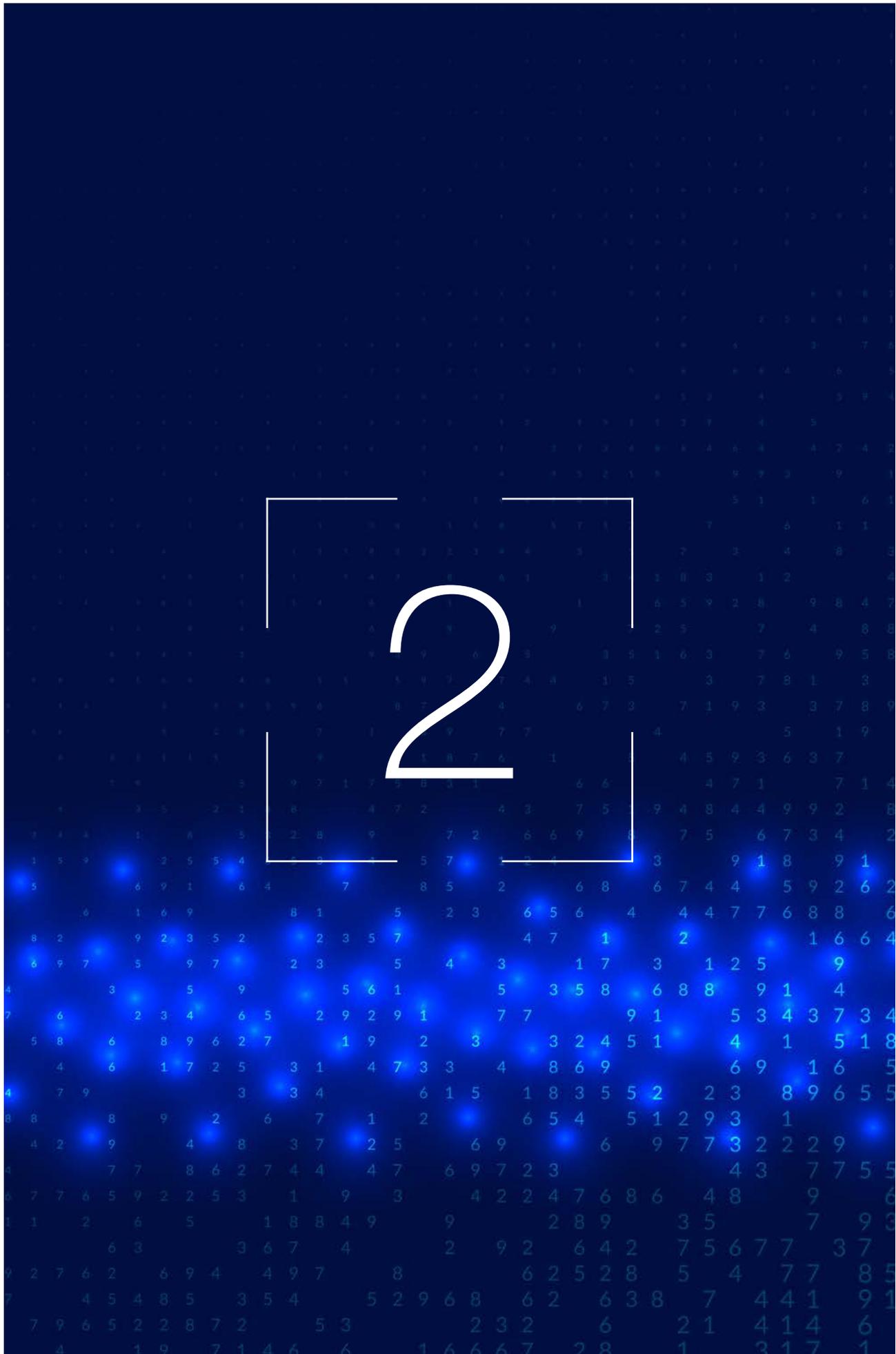
Departments and their arm’s-length bodies report quarterly identified loss from fraud and error, alongside associated recoveries and prevented losses to the Counter Fraud Centre of Expertise in line with the agreed government definition.

To increase confidence in the data, all loss data is subjected to an annual assurance process. In addition, a Prevention Panel reviews and approves the methodologies used to calculate prevented fraud.

In part three of this report, we give the figures for both detected fraud and error, and prevented fraud and recoveries that departments and their arm’s-length bodies have reported for the past 5 years using the above definition.

Reporting frequency

Within this report, government publishes data on the levels of fraud and error loss in central government from the previous financial year(s). The frequency of reporting reflects the way in which departments report data to the Counter Fraud Centre of Expertise. All figures are assured and are confirmed as factually accurate prior to publication.



Part two – The scale of the challenge

Public sector estimates

Government's understanding of the potential range of losses is increasing as we continue to build the evidence base on UK public sector fraud.

Over the past 5 years, the Counter Fraud Centre of Expertise has built an evidence base through loss data collection and loss measurement activity. We have also delivered data sharing pilots, and the findings from these pilots supplement the evidence base. This information is used to inform policy decisions, and is used to produce the official estimates on the potential range of losses that could exist in areas of government spending.

As a result of this work, government estimates that fraud and error loss outside of the tax and welfare system cost central government between £2.8bn and £22.6bn in 2017-18¹⁰.

Why publish data on the potential range of losses?

Government publishes a range because it recognises that fraud is inherently a hidden crime. And as such, there will always be a gap between the level of fraud and error that is currently detected, and the level that the estimates indicates.

Also, government has a huge diversity of spending areas, which all have different levels of fraud exposure. It is therefore impractical to measure them all. The overall range helps to negate the level of uncertainty that exists.

The scale of the challenge is depicted as an 'iceberg' and is broken down into three distinct parts:

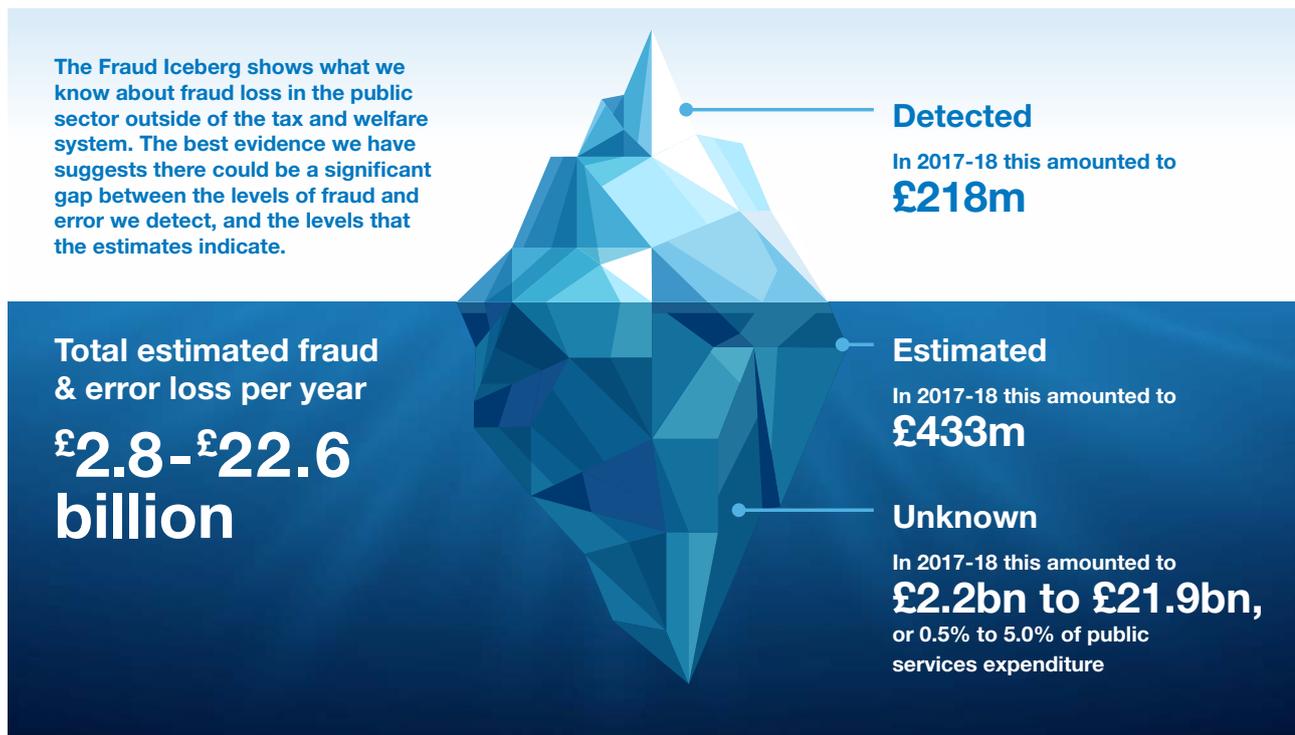
- Detected fraud and error
- Estimated fraud and error
- Unknown fraud and error



Government estimates that fraud and error loss outside of the tax and welfare system cost central government between **£2.8bn** and **£22.6bn** in 2017-18



¹⁰ The overall estimate is calculated using the best available data (including the Whole of Governments Accounts data). The 2018-19 WGA figures are not available at the time of this publication.



Detected fraud and error

This is the amount of fraud and error loss that government departments and their arm's-length bodies detect. This represents what is known and is considered the tip of the iceberg.

In 2017-18 this amounted to £218m¹¹.

Estimated fraud and error

This is the amount of fraud and error loss that government estimates using extrapolations from loss measurement activity. This includes exercises that have been undertaken across government, including some that have been completed under the Fraud Measurement and Assurance Programme. Estimated fraud and error sits below the water line and reflects what we know exists because of the estimates. This amount has not been fully detected.

In 2017-18 this amounted to £433m¹².

Unknown fraud and error

For unknown loss the Counter Fraud Centre of Expertise, alongside the Fraud Measurement and Assurance Programme Oversight Board use their professional judgement to assess the potential range of losses across all areas of government spending that does not have an estimate.

In 2018, the FMA Programme Oversight Board concluded there is an upper and lower range for estimated loss in unmeasured areas of government spending. This range stands at 0.5% to 5.0% of expenditure¹³.

The Oversight Board has concluded that it is likely that the true scale of fraud and error loss lies towards the lower end of this range.

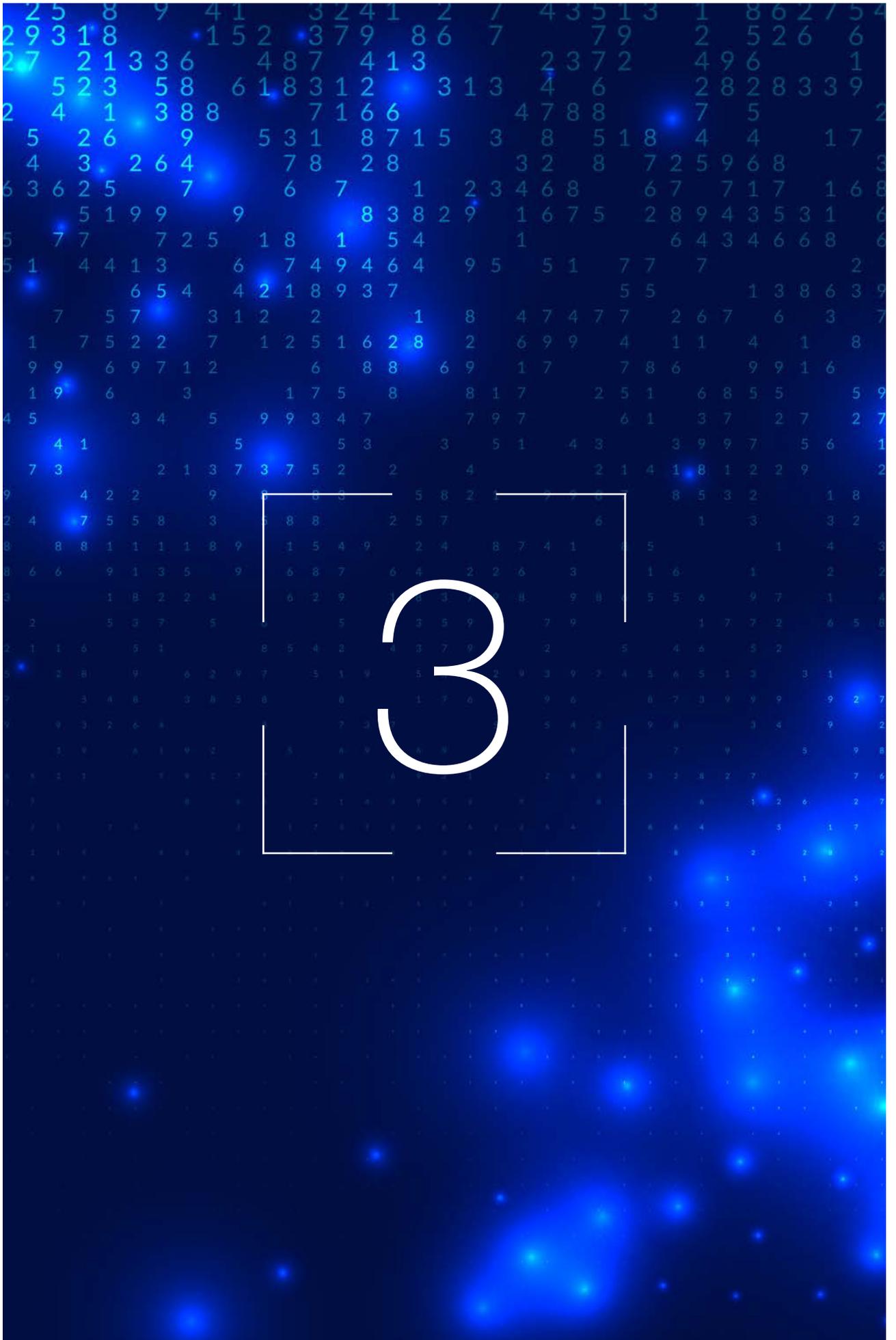
In 2017-18 this range was £2.2bn to £21.9bn, or 0.5% to 5.0% of public services expenditure¹⁴.

11 Excluding anomalies.

12 Includes the FMA programme annual estimate for exercises completed since 2014 (£167.2m); Legal Aid annual loss estimate (£13.6m) and the NHS Counter Fraud Authority's patient fraud loss estimate for 2017-18 (£251.7m).

13 The range is informed by 48 loss measurement exercises (23 are judged to be high quality) by an independent expert panel.

14 Based on whole of government accounts expenditure for 2017-18 for central government excluding social protection, debt interest, EU transactions, dental and prescription full service costs and legal aid funding.



Part three – Loss data trends

Financial highlights

In the past 5 years, government has made progress against its objective of finding more fraud. Since 2014-15, government departments and their arm’s-length bodies reported £474m of total detected fraud.

In 2017-18 and 2018-19, the combined total for detected fraud and error excluding anomalies stood at £423m. In comparative terms, this represents a 43% (£127m) increase on the 2015-16 and 2016-17 total.

The combined total for detected fraud and error includes the impact of a 3-year fraud spend audit in defence spending, which led to an increase in total reported detected fraud in 2017-18. This meant that the level of 2017-18 detected fraud was artificially high.



Since 2014-15, government departments and their arm’s-length bodies reported **£474m** of total detected fraud



The increase in the total amount of detected fraud and error over the past 5 years reflects the activity that government departments and their arm’s-length bodies have undertaken to improve the management of fraud risk thus far. This activity includes but is not limited to:

- investment in case management tools and systems to improve data capture (including the case values associated with prevention and detection activity);
- improvements in reporting routes to enable more comprehensive loss reporting;
- embedding the right culture where staff are confident in identifying and reporting fraud;
- increasing the levels of fraud awareness in government organisations through training;
- improved identification of fraud risk through on-going fraud risk assessment activity;
- improved management of identified risk through control enhancements;
- investment in detection tools and systems to increase the detection of fraud; and,
- development and scrutiny of new and existing prevention methodologies for the determination of savings linked to prevention activity.

Trends over time excluding anomalies

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Detected fraud | £31m | £74m | £119m | £151m | £99m | £474m |
| Detected error | £29m | £31m | £72m | £67m | £106m | £305m |
| Total detected fraud and error | £60m | £105m | £191m | £218m | £205m | £779m |
| Prevented | £28m | £33m | £45m | £36m | £50m | £192m |
| Recoveries | £27m | £20m | £52m | £47m | £99m | £245m |

Trends over time including anomalies

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Detected fraud | £31m | £74m | £119m | £151m | £99m | £474m |
| Detected error | £29m | £31m | £182m | £67m | £142m | £451m |
| Total detected fraud and error | £60m | £105m | £301m | £218m | £241m | £925m |
| Prevented | £28m | £33m | £45m | £755m | £234m | £1,095m |
| Recoveries | £27m | £20m | £162m | £47m | £99m | £355m |

NB: Anomalies include one-off processing errors and high value prevented fraud attempts with no loss to central government. The 2016-17 detected error and recoveries total includes a £110m processing error¹⁵.

Detected fraud by typology (internal vs external)

This table shows the total amount of internal and external detected fraud for all government departments and their arm's-length bodies.

| | 2017-18 | 2018-19 |
|----------------|----------------|---------------|
| Internal fraud | £21.3m | £16.3m |
| External fraud | £129.6m | £82.8m |
| Total | £150.9m | £99.1m |
| Internal fraud | 14% | 16% |
| External fraud | 86% | 84% |

¹⁵ As first reported in the 2018 Cross-Government Fraud Landscape Annual Report.

2017-18 Detected fraud and error by department

This table shows the total amount of detected fraud and error reported by government departments and their arm's-length bodies in 2017-18¹⁶.

| | Detected fraud | Detected error | Total detected |
|---|----------------|----------------|----------------|
| Ministry of Defence | £116.6m | £0.3m | £116.9m |
| Department for Education | £3.8m | £36.9m | £40.7m |
| Department for Health & Social Care | £13.4m | £0.9m | £14.3m |
| Department for Transport | £5.1m | £7.9m | £13.1m |
| Department for Business, Energy & Industrial Strategy | £3.2m | £5.6m | £8.9m |
| Home Office | £0.1m | £6.7m | £6.8m |
| Department for International Development | £5.9m | £0.8m | £6.7m |
| Department for Environment Food & Rural Affairs | £0.1m | £5.2m | £5.3m |
| HM Revenue & Customs ¹⁷ | £0.2m | £1.2m | £1.4m |
| Foreign & Commonwealth Office | £0.3m | £1.0m | £1.2m |
| Ministry of Justice | £0.7m | £0.0m | £0.8m |
| Department for Digital, Culture, Media & Sport | £0.7m | £0.0m | £0.7m |
| Department for Work & Pensions ¹⁸ | £0.7m | £0.0m | £0.7m |
| HM Treasury | £0.0m | £0.2m | £0.2m |
| Cabinet Office | £0.1m | £0.0m | £0.1m |
| Ministry of Housing, Communities & Local Government ¹⁹ | £0.0m | £0.1m | £0.1m |
| Total | £150.9m | £67.0m | £217.9m |

NB: All figures are rounded to the nearest £0.1m.

¹⁶ All figures are reported at departmental level and exclude anomalies.

¹⁷ Internal fraud only (excludes tax avoidance / evasion).

¹⁸ Internal fraud only (excludes welfare fraud).

¹⁹ Excludes Local Government and NFI savings.

2018-19 Detected fraud and error by department

This table shows the total amount of detected fraud and error reported by government departments and their arm's-length bodies in 2018-19. All figures are reported at departmental level and exclude anomalies.

| | Detected fraud | Detected error | Total detected |
|---|----------------|----------------|----------------|
| Department for Transport | £13.1m | £48.1m | £61.2m |
| Ministry of Defence | £60.2m | £0.1m | £60.2m |
| Home Office | £0.0m | £18.7m | £18.7m |
| Department for Education | £1.9m | £15.3m | £17.2m |
| Department for Business, Energy & Industrial Strategy | £3.6m | £8.9m | £12.6m |
| Department for Health & Social Care | £7.8m | £1.4m | £9.1m |
| Department for International Development | £5.1m | £3.9m | £9.1m |
| HM Revenue & Customs ²⁰ | £3.7m | £1.8m | £5.5m |
| Foreign & Commonwealth Office | £0.2m | £4.0m | £4.1m |
| Department for Environment Food & Rural Affairs | £0.4m | £3.7m | £4.1m |
| Ministry of Justice | £2.5m | £0.1m | £2.5m |
| Department for Digital, Culture, Media & Sport | £0.4m | £0.0m | £0.4m |
| Ministry of Housing, Communities & Local Government ²¹ | £0.0m | £0.3m | £0.3m |
| Department for Work & Pensions ²² | £0.3m | £0.0m | £0.3m |
| Cabinet Office | £0.1m | £0.0m | £0.1m |
| Department for International Trade | £0.0m | £0.0m | £0.0m |
| HM Treasury | £0.0m | £0.0m | £0.0m |
| Total | £99.1m | £106.3m | £205.4m |

NB: All figures are rounded to the nearest £0.1m.

NB: DFT reported error includes proactive work from Network Rail to prevent error losses. In 2018-19, this activity involved a review of supplier and customer invoices, leases, payroll and property write back transactions. As a result of this activity, recoveries were made against 99% of payments paid in error, and process enhancements have been made to minimise future recurrence.

20 Internal fraud only (excludes tax avoidance / evasion).

21 Excludes Local Government and NFI savings.

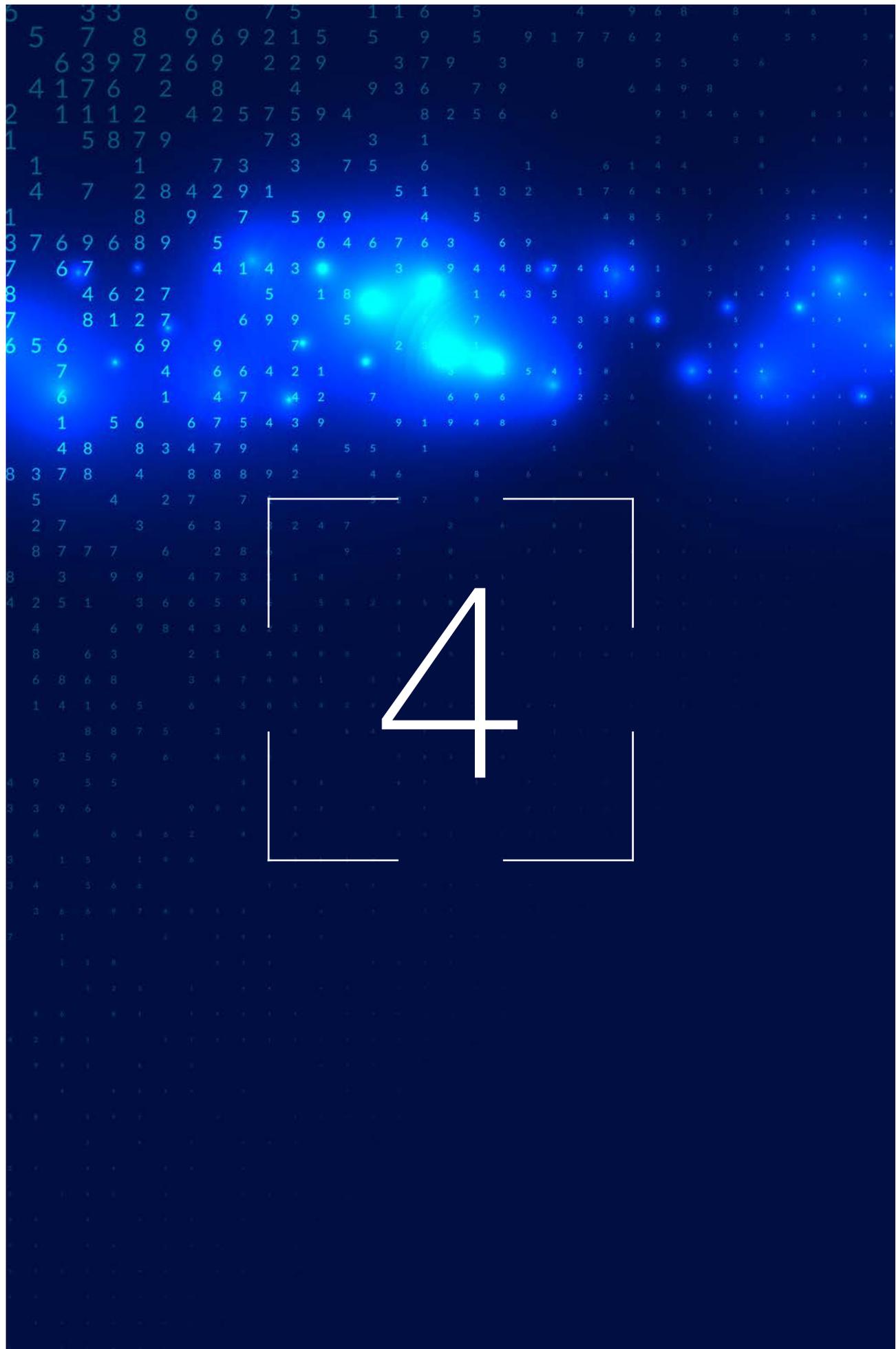
22 Internal fraud only (excludes welfare fraud).

Reported allegations of suspected fraud

This table shows the total number of reported allegations of suspected fraud by government departments since 2015-16²³.

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|--|---------|---------|---------|---------|---------------|
| Reported allegations of suspected fraud | 8,703 | 11,530 | 8,361 | 10,116 | 38,710 |

23 Figures exclude HM Revenue and Customs and the Department for Work and Pensions.



Part four – The counter fraud functional standard

Introducing government functional standards

Government functional standards have been introduced to set the expectations for the management of activity in government. They exist to create a coherent and mutually understood way of doing business within organisations, and across organisational boundaries²⁴. Setting and assuring Functional Standards is fundamental to the work of functions and is key to the delivery of greater efficiency and effectiveness.

The counter fraud functional standard (GovS 013)

In October 2018 government launched the Counter Fraud Functional Standard (GovS 013) to set the expectations for the management of fraud, bribery and corruption risk in government organisations. The 11 Functional Standard(s) for Counter Fraud were first introduced in 2017 and GovS 013 builds upon that existing approach to reinforce what is expected of organisations. The Counter Fraud Functional Standard is 1 of 14 Functional Standards and this sits alongside other Functional Standards including the Finance, Commercial, Grants Management, and Project Delivery Functional Standard.

Implementation of GovS 013

In October 2018 the Counter Fraud Centre of Expertise set out a plan for the implementation of the Counter Fraud Functional Standard. As part of this plan, the scope was expanded to include new arms-length bodies that were previously not working towards the 11 Counter Fraud Functional Standard(s) as of year-ending March 2018.

The work of the Counter Fraud Centre of Expertise has focused on supporting organisations to adopt and implement the Functional Standard. This includes the delivery of action planning workshops, guidance and expert advice on the technical aspects of the Functional Standard.

In addition, the Government's Internal Audit Agency (GIAA) Counter Fraud and Investigation Service (CF&I) has assisted more than 60 different organisations (including government departments and their arm's-length bodies), to adopt and embed the Functional Standard through the provision of professional services and advice. This includes:

- supporting organisations in readiness for the functional standard(s) assessment and post assessment improvement activities;
- supporting organisations to develop and enhance their counter fraud strategies, anti-fraud policies, action plans and related metrics;
- supporting the development, and testing of fraud risk assessments;
- helping to develop and deliver fraud awareness programmes;

- undertaking investigations (delivered by Professionally Accredited Investigators);
- undertaking and supporting the development of proactive detection activity; and,
- supporting organisations with fraud measurement and assurance activity.

As a result of this effort (including the contributions of individual organisations and their respective board members), 123 government organisations (including 19 government departments and 104 arms-length bodies) are committed to working towards the full implementation of the Functional Standard (up 119% or 68 organisations versus 2018). Organisations have also self assessed, and have evidenced their compliance level against an assessment framework devised by the Counter Fraud Centre of Expertise.

The 12 functional standard(s) of GovS 013

1



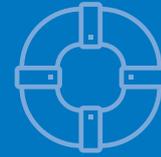
Have an accountable individual at board level who is responsible for counter fraud, bribery and corruption

2



Have a counter fraud, bribery and corruption strategy that is submitted to the centre

3



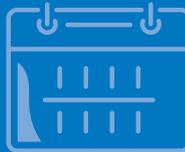
Have a fraud, bribery and corruption risk assessment that is submitted to the centre

4



Have a policy and response plan for dealing with potential instances of fraud, bribery and corruption

5



Have an annual action plan that summarises key actions to improve capability, activity and resilience in that year

6



Have outcome based metrics summarising what outcomes they are seeking to achieve that year. For organisations with 'significant investment' in counter fraud or 'significant estimated' fraud loss, these will include metrics with a financial impact

7



Have well established and documented reporting routes for staff, contractors and members of the public to report suspicions of fraud, bribery and corruption and a mechanism for recording these referrals and allegations

8



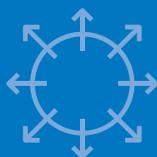
Will report identified loss from fraud, bribery, corruption and error, and associated recoveries, to the centre in line with the agreed government definitions

9



Have agreed access to trained investigators that meet the agreed public sector skill standard

10



Undertake activity to try and detect fraud in high-risk areas where little or nothing is known of fraud, bribery and corruption levels, including loss measurement activity where suitable

11



Ensure all staff have access to and undertake fraud awareness, bribery and corruption training as appropriate to their role

12



Have policies and registers for gifts and hospitality and conflicts of interest

2018-19 overall ratings - 2018 adopters

This table shows the average percentage of the functional standard met, partially met and not met by departments and arms-length bodies in 2018-19. Ratings are assigned based on an assessment scale from not met (non-compliant), to partially met (adopting/ developing) and met (compliant). In total 55 government organisations were assessed by the Counter Fraud Centre of Expertise in 2019 to determine the overall compliance level²⁵.

| | Total Assessed | Not Met | Partially Met | Met |
|---------------------------|----------------|--|---|---|
| Departments | 19 |  0% |  10% |  90% |
| Arms-Length Bodies | 36 |  3% |  13% |  84% |

How has departmental performance changed versus the 2018 baseline?

The results show that departmental compliance has increased by 15 percentage points versus the 2017-18 assessment. In the 2018 Cross-Government Fraud Landscape Annual Report the results of 17 departments were published and the results are shown below for comparative purposes²⁶.

| | Total Assessed | Not Met | Partially Met | Met |
|--------------------|----------------|--|---|---|
| 2018-19 | 17 |  0% |  10% |  90% |
| 2017-18 | 17 |  6% |  19% |  75% |
| % pt change | - | ▼ -6% | ▼ -9% | ▲ +15% |

25 Excluding UK Hydrographic Office (now aligns to MOD core) and British Council which is excluded from GovS 013 harmonisation.

26 2017-18 excluded UK Export Finance and the Department for Exiting the European Union. Results are reported on a like for like basis (against the 11 functional standards).

GovS 013 compliance by government departments - 2018 adopters

This table shows the extent of departmental compliance against the Counter Fraud Functional Standard. There are 12 functional standards to GovS 013. Ratings are assigned based on an assessment scale from not met (non-compliant), to partially met (adopting/developing) and met (compliant). These departments have been fully assessed by the Counter Fraud Centre of Expertise.

| Departments | Not Met | Partially Met | Met |
|---|---------|---------------|-----|
| Department for Digital, Culture, Media & Sport | 0 | 0 | 12 |
| Department for International Trade | 0 | 0 | 12 |
| Department for Work & Pensions ²⁷ | 0 | 0 | 12 |
| Department of Health & Social Care | 0 | 0 | 12 |
| HM Revenue & Customs ²⁸ | 0 | 0 | 12 |
| Ministry of Defence | 0 | 0 | 12 |
| Ministry of Justice | 0 | 0 | 12 |
| Cabinet Office | 0 | 0 | 12 |
| Department for Business, Energy & Industrial Strategy | 0 | 1 | 11 |
| Department for Education | 0 | 1 | 11 |
| Department for Exiting the European Union | 0 | 1 | 11 |
| Department for International Development | 0 | 1 | 11 |
| Foreign & Commonwealth Office | 0 | 1 | 11 |
| Department for Environment Food & Rural Affairs | 0 | 2 | 10 |
| Department for Transport | 0 | 2 | 10 |
| Home Office | 0 | 3 | 9 |
| UK Export Finance ²⁹ | 0 | 3 | 9 |
| HM Treasury ³⁰ | 0 | 4 | 8 |
| Ministry of Housing, Communities & Local Government ³¹ | 0 | 4 | 8 |

27 Compliance against internal fraud only (excludes welfare fraud, which is managed separately).

28 Compliance against internal fraud only (excludes tax compliance, which is managed separately).

29 UK Export Finance adopted the Functional Standard in late 2018 and is working towards full alignment.

30 HM Treasury is working towards the full implementation of the Functional Standard in 2019-20.

31 Currently excludes local government.

GovS 013 compliance by arms-length bodies - 2018 adopters

This table shows the extent of arms-length body compliance against the Counter Fraud Functional Standard. There are 12 functional standards to GovS 013. Ratings are assigned based on an assessment scale from not met (non-compliant), to partially met (adopting/developing) and met (compliant). These organisations have been fully assessed by the Counter Fraud Centre of Expertise.

| ALB/Agency | Not Met | Partially Met | Met |
|--|---------|---------------|-----|
| British Business Bank | 0 | 0 | 12 |
| Driver and Vehicle Licensing Agency | 0 | 0 | 12 |
| Education and Skills Funding Agency | 0 | 0 | 12 |
| Highways England | 0 | 0 | 12 |
| HM Courts & Tribunals Service | 0 | 0 | 12 |
| HM Land Registry | 0 | 0 | 12 |
| Intellectual Property Office | 0 | 0 | 12 |
| Legal Aid Agency | 0 | 0 | 12 |
| Maritime and Coastguard Agency | 0 | 0 | 12 |
| Network Rail | 0 | 0 | 12 |
| NHS Counter Fraud Authority | 0 | 0 | 12 |
| UK Research and Innovation | 0 | 0 | 12 |
| Animal and Plant Health Agency | 0 | 1 | 11 |
| Arts Council England | 0 | 1 | 11 |
| Cafcass | 0 | 1 | 11 |
| London and Continental Railways Limited | 0 | 1 | 11 |
| Met Office | 0 | 1 | 11 |
| Nuclear Decommissioning Authority | 1 | 0 | 11 |
| Rural Payments Agency | 0 | 1 | 11 |
| Student Loans Company | 0 | 1 | 11 |
| Valuation Office Agency | 0 | 1 | 11 |
| Companies House | 0 | 2 | 10 |
| Environment Agency | 0 | 2 | 10 |
| British Transport Police Authority | 0 | 3 | 9 |
| Criminal Injuries Compensation Authority | 0 | 3 | 9 |
| Her Majesty's Prison and Probation Service | 0 | 3 | 9 |

| ALB/Agency | Not Met | Partially Met | Met |
|-------------------------------------|---------|---------------|-----|
| Ofgem | 1 | 2 | 9 |
| High Speed Two (HS2) Limited | 0 | 4 | 8 |
| Historic England | 0 | 4 | 8 |
| Natural England | 1 | 3 | 8 |
| The National Lottery Community Fund | 2 | 3 | 7 |
| British Library | 2 | 3 | 7 |
| Office for Students | 2 | 3 | 7 |
| Driver and Vehicle Standards Agency | 1 | 4 | 7 |
| Vehicle Certification Agency | 1 | 5 | 6 |
| Forestry Commission | 4 | 4 | 4 |

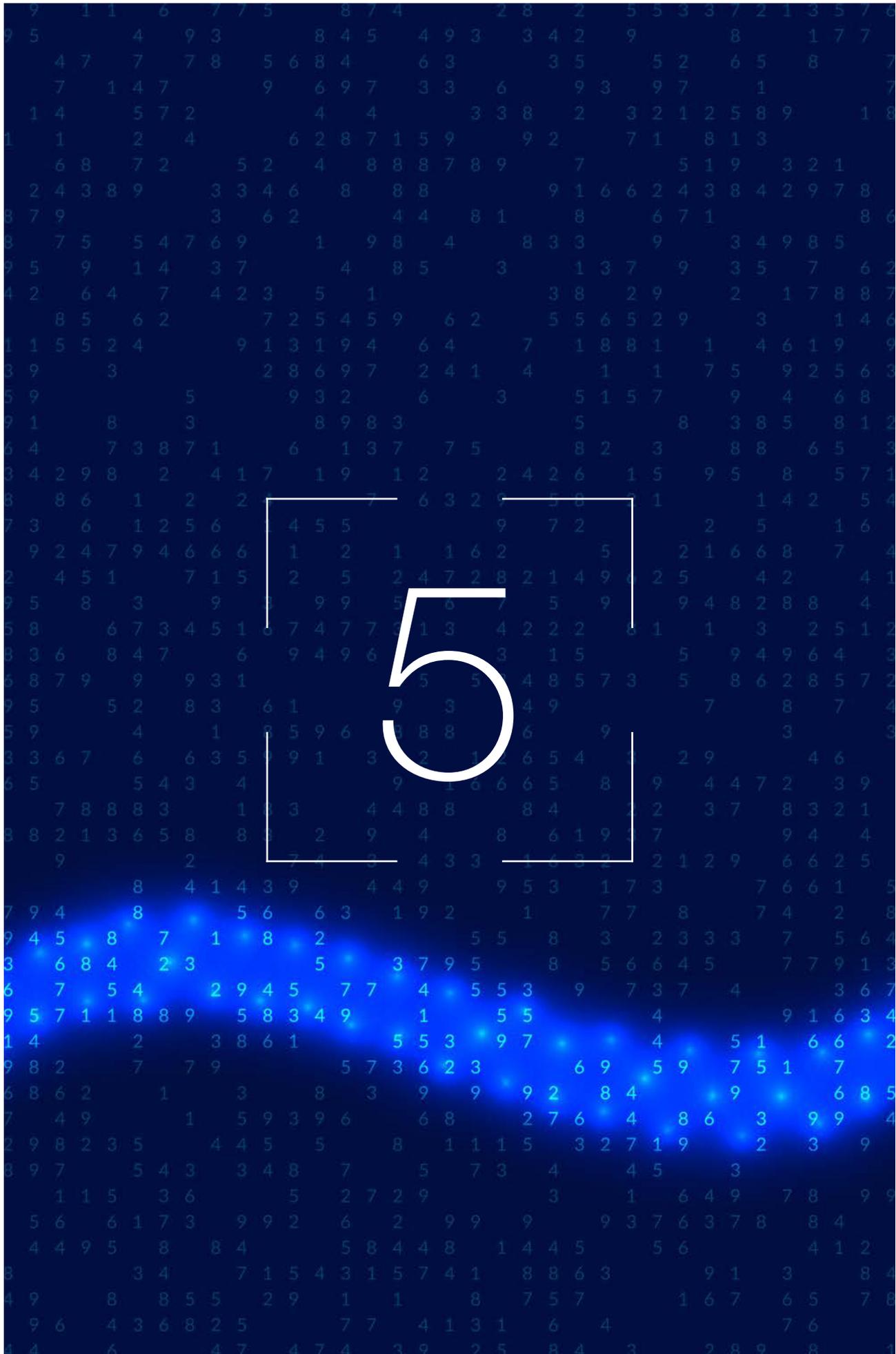
GovS 013 2019 adopters

This table lists the arms-length bodies that adopted the Counter Fraud Functional Standard in 2019. These organisations are working towards full implementation in 2020. The compliance level will be published from 2020.

| Arms-Length Body (Adopter) | Department (Sponsor) |
|---|---|
| Crown Commercial Service | Cabinet Office |
| Advisory, Conciliation and Arbitration Service (ACAS) | Department for Business, Energy and Industrial Strategy |
| Civil Nuclear Police Authority | Department for Business, Energy and Industrial Strategy |
| Oil & Gas Authority | Department for Business, Energy and Industrial Strategy |
| The Coal Authority | Department for Business, Energy and Industrial Strategy |
| The Insolvency Service | Department for Business, Energy and Industrial Strategy |
| UK Atomic Energy Authority | Department for Business, Energy and Industrial Strategy |
| UK Space Agency | Department for Business, Energy and Industrial Strategy |
| Birmingham 2022 Organising Committee | Department for Digital, Culture, Media & Sport |
| British Film Institute | Department for Digital, Culture, Media & Sport |
| British Museum | Department for Digital, Culture, Media & Sport |
| Horniman Museum and Gardens | Department for Digital, Culture, Media & Sport |
| Imperial War Museums | Department for Digital, Culture, Media & Sport |
| National Heritage Memorial Fund | Department for Digital, Culture, Media & Sport |
| National Portrait Gallery | Department for Digital, Culture, Media & Sport |

| Arms-Length Body (Adopter) | Department (Sponsor) |
|---|--|
| Natural History Museum | Department for Digital, Culture, Media & Sport |
| Phone-Paid Services Authority | Department for Digital, Culture, Media & Sport |
| Royal Armouries | Department for Digital, Culture, Media & Sport |
| Royal Museums Greenwich | Department for Digital, Culture, Media & Sport |
| Sport England | Department for Digital, Culture, Media & Sport |
| Sir John Soane's Museum | Department for Digital, Culture, Media & Sport |
| Tate Britain | Department for Digital, Culture, Media & Sport |
| The Geffrye Museum of the Home | Department for Digital, Culture, Media & Sport |
| The National Gallery | Department for Digital, Culture, Media & Sport |
| The Victoria and Albert Museum | Department for Digital, Culture, Media & Sport |
| The Wallace Collection | Department for Digital, Culture, Media & Sport |
| Agriculture and Horticulture Development Board | Department for Environment, Food & Rural Affairs |
| Centre for Environment, Fisheries and Aquaculture Science | Department for Environment, Food & Rural Affairs |
| Consumer Council for Water | Department for Environment, Food & Rural Affairs |
| Joint Nature Conservation Committee | Department for Environment, Food & Rural Affairs |
| Kew Gardens | Department for Environment, Food & Rural Affairs |
| Marine Maritime Organisation | Department for Environment, Food & Rural Affairs |
| Seafish | Department for Environment, Food & Rural Affairs |
| Veterinary Medicines Directorate | Department for Environment, Food & Rural Affairs |
| Commonwealth Scholarship Commission | Department for International Development |
| East West Rail | Department for Transport |
| Health and Safety Executive | Department for Work & Pensions |
| Health Education England | Department of Health and Social Care |
| Health Research Authority | Department of Health and Social Care |
| Human Fertilisation and Embryology Authority | Department of Health and Social Care |
| Human Tissue Authority | Department of Health and Social Care |
| Medicines and Healthcare Products Regulatory Agency | Department of Health and Social Care |
| National Institute for Health and Care Excellence | Department of Health and Social Care |
| NHS Blood and Transplant | Department of Health and Social Care |
| NHS Business Services Authority | Department of Health and Social Care |
| NHS Digital | Department of Health and Social Care |
| NHS England and Improvement | Department of Health and Social Care |

| Arms-Length Body (Adopter) | Department (Sponsor) |
|--|---|
| NHS Resolution | Department of Health and Social Care |
| Public Health England | Department of Health and Social Care |
| Care Quality Commission | Department of Health and Social Care |
| Disclosure and Barring Service | Home Office |
| Single Source Regulations Office | Ministry of Defence |
| Homes England | Ministry of Housing, Communities & Local Government |
| Criminal Cases Review Commission | Ministry of Justice |
| Criminal Injuries Compensation Authority | Ministry of Justice |
| HM Inspectorate of Prisons | Ministry of Justice |
| Judicial Appointments and Conduct Ombudsman | Ministry of Justice |
| Judicial Appointments Commission | Ministry of Justice |
| Judicial Office | Ministry of Justice |
| Legal Ombudsman | Ministry of Justice |
| Legal Services Board | Ministry of Justice |
| Office of the Public Guardian | Ministry of Justice |
| Office of the Public Trustee | Ministry of Justice |
| Prisons and Probation Ombudsman | Ministry of Justice |
| The Independent Monitoring Boards and Lay Observer Secretariat | Ministry of Justice |
| The Parole Board for England and Wales | Ministry of Justice |
| Youth Justice Board | Ministry of Justice |
| Ofqual | Non-Ministerial Department |



Part five – The government counter fraud profession

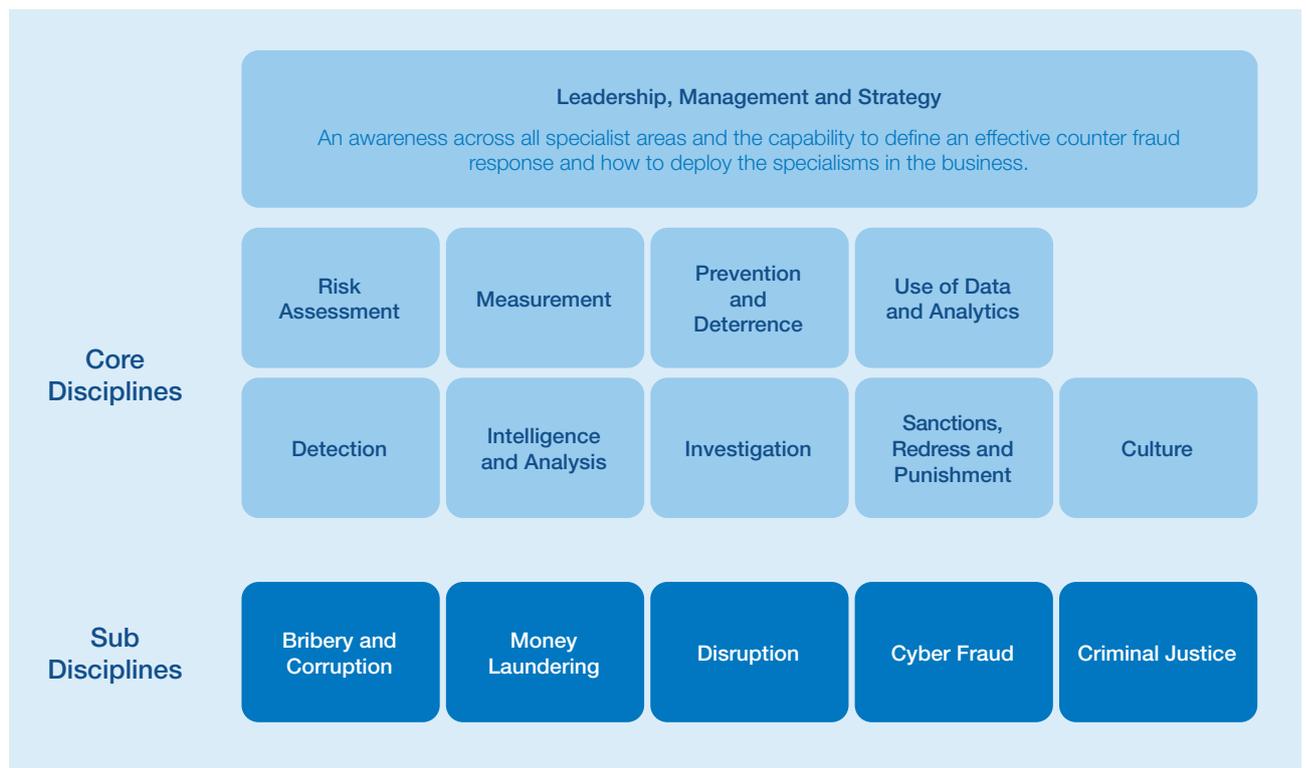
Introducing the profession

On 9th October 2018, the Government Counter Fraud Profession was launched with 3,164 public sector members. Since then, the membership base has steadily increased as more organisations have put in place the learning environments to support individuals to develop and maintain the professional standards and competencies against the disciplines launched thus far. As of October 2019, there were 3,807 members comprised mainly of those working in investigation and intelligence roles. The Investigation, and Intelligence and Analysis Disciplines were the first to launch and reflects where the majority of counter fraud resource currently sits across government.

Aims of the profession

The Government Counter Fraud Profession has been developed to provide a common structure for developing counter fraud capability across a diverse range of disciplines. The profession aims to develop and recognise the skills of up to 15,000 staff that perform a variety of counter fraud roles across government and moves beyond the traditional focus of investigation. The profession also helps members to build a career pathway from Trainee to Advanced Practitioner level, through professional competency frameworks that underpin each discipline of the profession (see figure 1).

Figure 1. The Counter Fraud Framework



The professional skills platform

One of the features of the profession is the Professional Skills Platform (PSP). The PSP is the registration portal for the profession and the key information repository for all members. The PSP enables government to see for the first time the breadth of skills in counter fraud across the public sector. This tool enables members to self-assess their knowledge, skills and experience against their desired discipline(s), and log their learning and development activity to inform and plan their career journey.

Member certification and qualifications

As the Counter Fraud Profession takes hold, the Government's Counter Fraud Professionals Board has been carefully evaluating options to introduce specific qualifications to those who meet the standards of the profession. And within the next 2 years the ambition is to introduce qualifications to the profession.

Member events and seminars

In 2018-19 the Government Counter Fraud Profession hosted a number of events, including a cyber skills seminar and a disclosure training event. These events provided members with an understanding of the many tools and techniques required to tackle fraud and economic crime across the public sector. Such events will continue to be run with the aim of supporting members to develop new skills whilst also focusing on the issues that define the fraud landscape.

The public sector counter fraud journal

In February 2019 the Public Sector Counter Fraud journal was launched. This journal provides insights into current counter fraud activity and features articles from a range of organisations and sectors including: academia, the private sector, the public sector and non-profit sector.

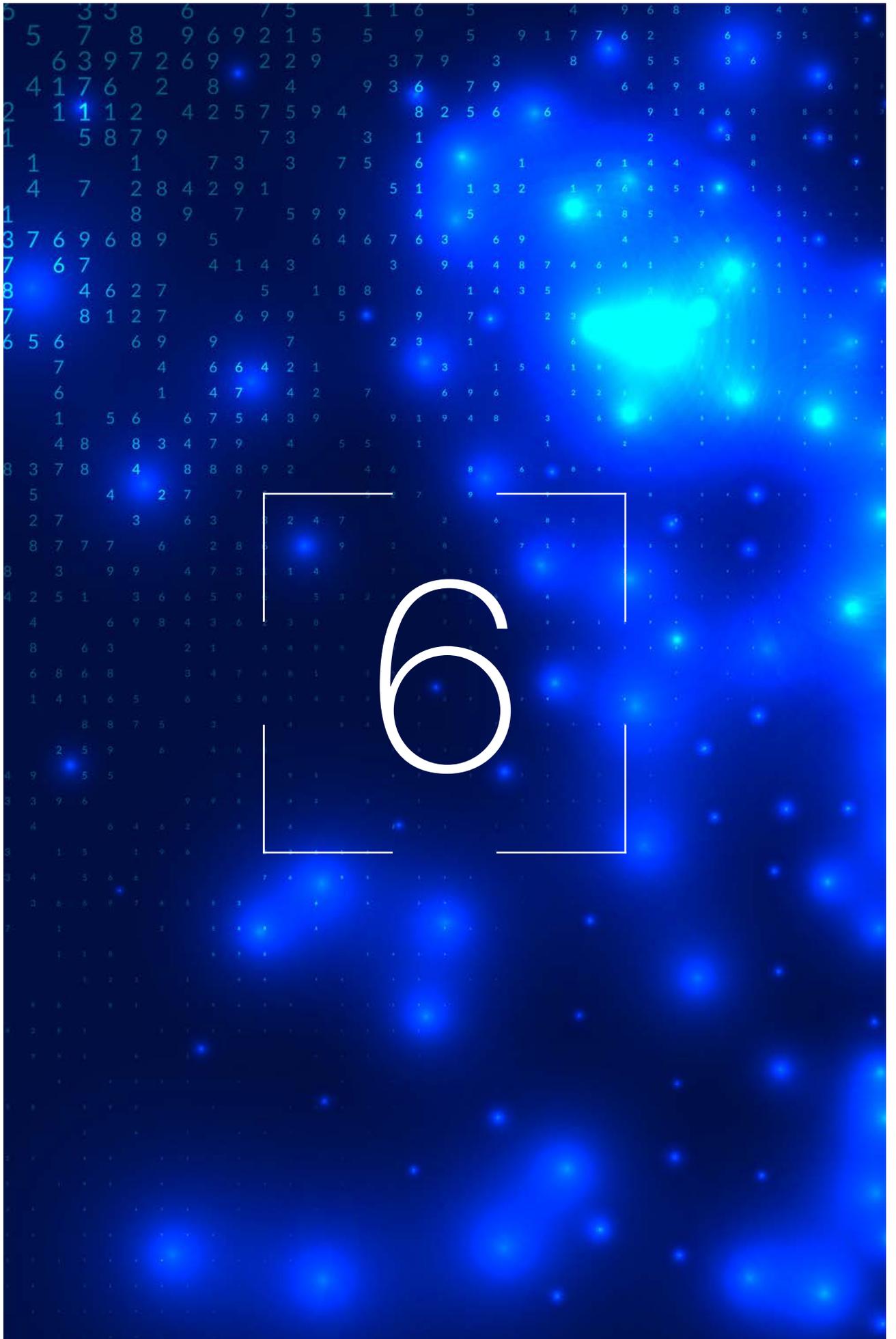
Internships and placements

In other areas, the Counter Fraud Centre of Expertise worked in partnership with 9 universities to offer internships to those working towards an academic degree or masters qualification in areas including: criminology; criminal justice; counter fraud; corruption; cyber security; finance and forensic accounting. In 2018-19 placements were offered in the Government's Internal Audit Agency, HM Revenue and Customs, and the Cabinet Office. Successful candidates have gone on to secure job roles within government, helping to shape future policy and build capability in a number of areas.

Workplace apprenticeships

In 2018-19 government launched the Counter Fraud Investigator (CFI) Apprenticeship Scheme. This provides individuals with a direct entry route into the Government's Counter Fraud Profession, and a career pathway into counter fraud at practitioner level. The CFI apprenticeship scheme is the first professional qualification to be launched as part of the Government's Counter Fraud Profession. The Institute for Apprenticeships & Technical Education approved the scheme for delivery on the 30th September 2019.³².

32 <https://www.instituteforapprenticeships.org/apprenticeship-standards/counter-fraud-investigator/>



Part six – Fraud measurement and assurance

Introducing the programme

The fraud measurement and assurance (FMA) programme has been running since 2014 with the strategic aim of helping government organisations to understand their fraud risk exposure, and to use measurement to estimate the levels of fraud and error loss in areas of government spending.

The programme exists to test the levels of irregularity (fraud and error) in areas of government spending where little is known of current levels. In the past five years 53 loss measurement exercises have been undertaken to measure the fraud and error rate in various categories of government expenditure.

This programme has informed the evidence base for calculating the estimated range of 0.5% to 5.0% of losses in areas of unmeasured spend.

2018-19 activity

In 2018-19, five new exercises were delivered through the programme, which continued to confirm the estimated range of 0.5% to 5.0% with exercises finding between 1.0% to 3.2% of irregularity.

Examined areas included:

- childcare grants administered by the Student Loans Company;
- Nuclear Decommissioning Authority Community Assistance Grants; and,
- NHS prescription charges.

Future FMA pipeline

The FMA programme currently has 6 exercises underway which are due to conclude in March 2020. These are looking for irregularity in areas with a combined annual spend of over £3.6bn including:

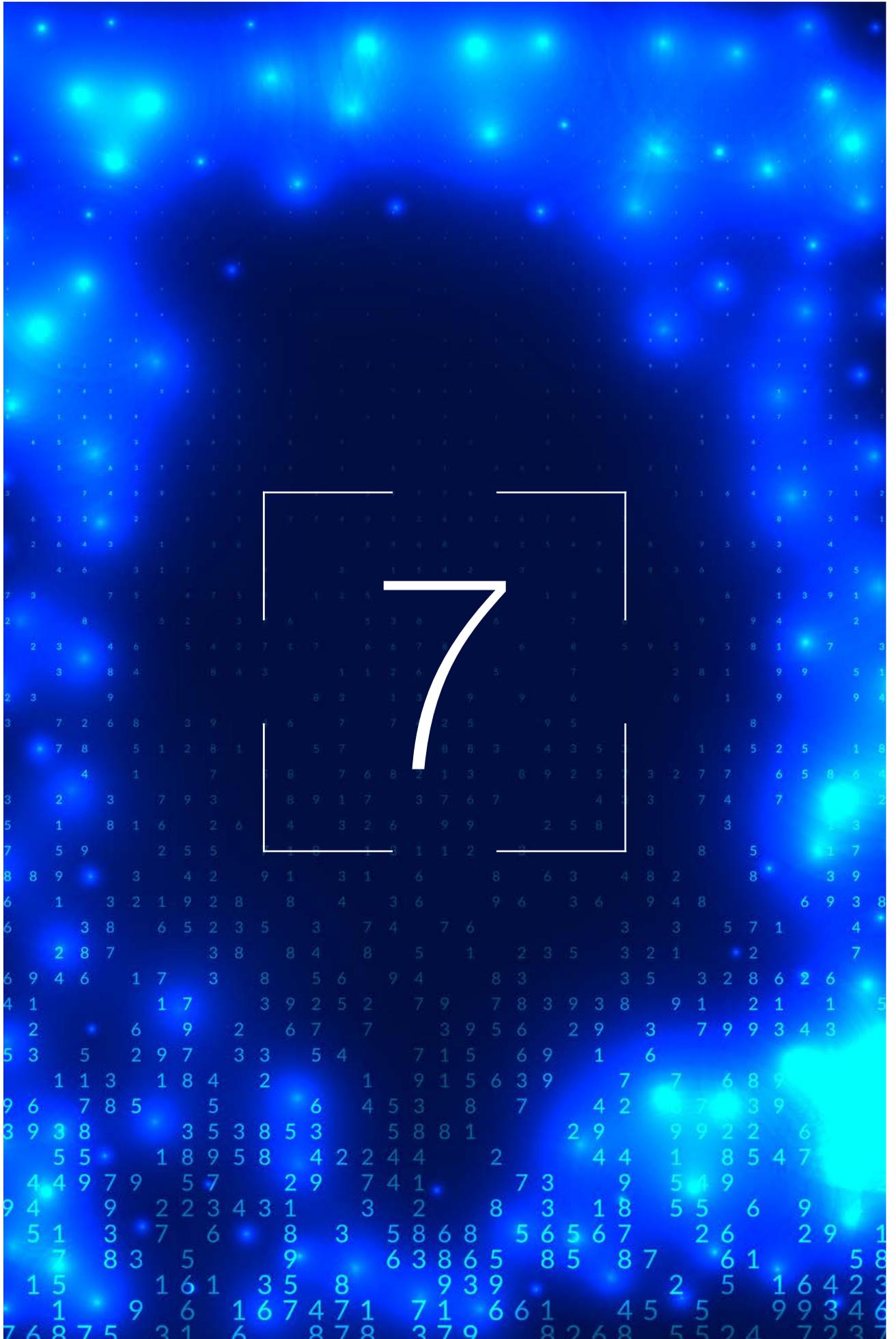
- NHS dental care reimbursements;
- Legal Aid disbursement; and,
- Business Innovation grants.

Forward planning for 2020-21 is underway, and 8 departments have expressed an interest to partake in the FMA programme. The areas put forward include:

- grant spending;
- salary and payroll costs;
- business start-up loans; and,
- spend on contingent labour.

Fraud measurement training

In addition, the Counter Fraud Centre of Expertise delivered fraud measurement and assurance training with the aim of supporting government organisations to run loss measurement exercises on their own accord. This activity supports organisations to meet the Counter Fraud Functional Standard.



Part seven – Tackling fraud with data and data analytics

Unlocking the power of data to tackle fraud

Public and private sector organisations are increasingly adopting advanced data analytics techniques to augment and replace traditional case-by-case approaches to identify fraud. This includes the exploration of artificial intelligence and machine learning approaches to increase the detection of fraud on an unprecedented scale.

The use of data to find fraud is a quickly evolving area, and the government has put in place the necessary legislation to enable public authorities to share personal data for the purpose of preventing, detecting, investigating and prosecuting public sector fraud.

Since 2017, the Counter Fraud Centre of Expertise has been providing fraud data analytics capability to the rest of government with the aim of supporting organisations to run data sharing pilots. This also includes the delivery of 14 pilots over the same period. In 2018-19, 7 data pilots were delivered, focusing on the potential for fraud in areas including:

- Shadow Accounting and Corporate Structure Fraud;
- Student Finance awards in Wales and Scotland;
- The Young Farmers Start-Up Grant Scheme; and,
- Help to Buy.

In 2018-19, all 7 data sharing pilots delivered by the Counter Fraud Centre of Expertise found fraud, increasing the total number of pilots finding fraud to 86% over the past 2 years (12 out of 14).

Government also delivered a data matching pilot using HMRC data through the National Fraud Initiative (NFI), with the aim of increasing the detection of fraud in areas including: social housing; welfare benefits; council tax, right to buy; residential care, and personal budgets. The HMRC data included employed and self-employed earnings information, household composition and property ownership data.

The best practice guide

The Counter Fraud Centre of Expertise (The Centre) recognises that the broad adoption of analytics to improve counter fraud activity in government requires wider access to data and data analytics capabilities. As such, The Centre has worked with experts from across government and the private sector to develop a Best Practice Guide. The Guide provides insight and direction for those groups who need a better understanding of how to design and deliver data analytics pilots.

The Best Practice Guide continues to be developed through its use, and in 2019 a section was added explaining the analytical techniques that could be used against a range of fraud problems. The Guide and the other tools continue to enhance the support and development of the data analytics discipline across government.

Professional standards and guidance

The Centre has increasingly recognised that to improve confidence in sharing data, and to reduce some of the burden in undertaking data analytics projects, it is beneficial for individuals to be working towards a common professional standard.

In 2019 The Centre commenced work on the development of a data analytics professional standard, in collaboration with organisations in the private sector. This will be the foundation for a common approach for the use of data and data analytics to counter fraud. This will define the knowledge, skills and experience required for the successful delivery of fraud data analytics in government. This will help to build the capability of those working in data analytics roles.

The thought paper

In June 2019 the Counter Fraud Centre of Expertise published a thought paper on Tackling Fraud in Government with Data Analytics. This paper was developed to obtain a cross-industry perspective on how government could address 5 key challenges for the effective use of data to tackle fraud. These challenges include:

- Data quality;
- Data access;
- Data mindset;
- Data capabilities; and,
- Data ethics.

This research will help inform the government's approach and its future data strategy after a cross-sector perspective is obtained.



The national fraud initiative

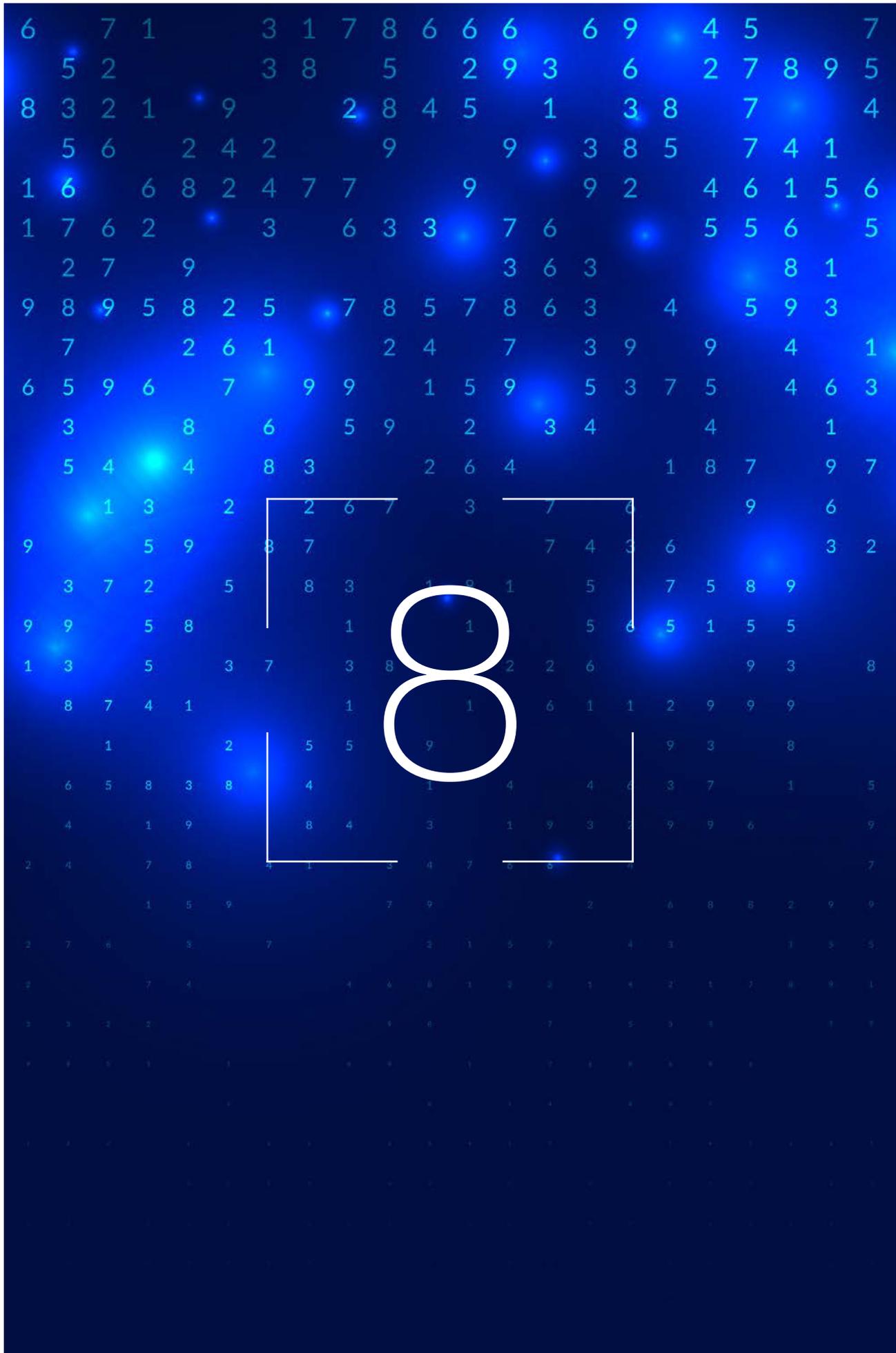
In 2018-19 the Counter Fraud Centre of Expertise continued to run the National Fraud Initiative (a data matching service) to enable government organisations (in particular Local Authorities) to detect fraud and error in areas, including: pensions, council tax, housing benefit and other local government schemes. Details of the full savings to local government can be found in the NFI annual report³³.



Government's internal fraud policy

Protecting the public sector against those who are dismissed for fraudulent conduct, and preventing re-employment for a 5-year period is a key cross-government policy. In 2018-19 the Counter Fraud Centre of Expertise maintained the infrastructure and governance necessary to enforce this policy, and also ensured that job applicants were screened at pre-employment stage to prevent re-employment where a match was found.

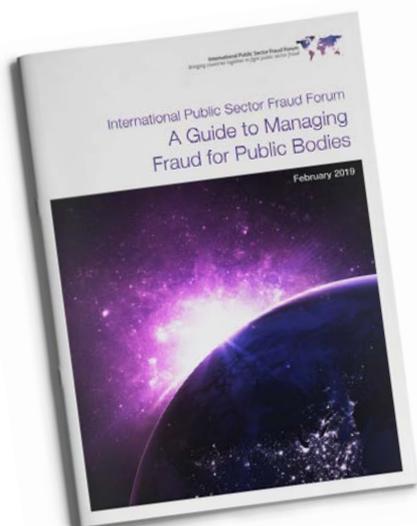
33 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/737146/National-Fraud-Initiative-Report-2018.pdf



Part eight – The international public sector fraud forum

Introducing the forum

UK Government launched the International Public Sector Fraud Forum (The Forum) in 2018 and since then the founding members of the Five Eyes (consisting of senior representatives from organisations in the governments of Australia, Canada, New Zealand, the United Kingdom and the United States) have come together to share leading practice and contrasting models on tackling public sector fraud.



2018-19 activity

In 2018-19 members from The Forum have undertaken bilateral conversations on specific areas of interest and undertook official visits to focus on areas including:

- Fraud data analytics;
- Fraud reporting;
- Fraud prevention;
- Fraud typologies;
- Setting up a Counter Fraud Centre of Expertise;
- Fraud measurement and assurance; and,
- Professionalisation of the workforce.

The Forum members also attended a series of working group sessions and have developed A Guide to Managing Fraud for Public Bodies – which was launched during the annual weeklong International Public Sector Fraud Forum meeting in February 2019³⁴.

The Guide to Managing Fraud for Public Bodies combines leading practice from experts in the Five Eyes, helping public bodies across the world to manage fraud and corruption.

Future vision

UK Government is committed to increasingly finding and preventing fraud. Our vision is to be world leaders in this. This means both challenging ourselves to go further, sharing approaches and continuing to make progress with our international partners.

34 <https://www.gov.uk/government/publications/a-guide-to-managing-fraud-for-public-bodies>



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