



Public Sector
Fraud Authority



Cabinet Office



HM Treasury

Public Sector Fraud Authority

2024/2025 Delivery Plan

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 diverts vital resources away from essential community services and undermines public trust. At a time of significant fiscal challenge, it is essential that our government takes every possible step to understand and reduce losses from fraud in public spending.

This government is committed to strengthening the foundations of our public sector, rebuilding our public services and delivering against our Missions. Action on fraud against the public sector is a key part of that.

We know that fraud will always be a challenge, but we also know that the losses from fraud and error are too high. That is why this government has committed to increase tax compliance, reduce the losses caused by attacks on our welfare system and continue to uncover and take action on fraud across the public sector, including appointing a Covid Counter Fraud Commissioner to make sure the government has done all it can in pursuit of fraud during the pandemic.

I am pleased to announce that the Public Sector Fraud Authority is building upon its existing work to find and act upon more opportunities to reduce fraud and error loss. Its focused and ambitious plan will make the public sector better at finding, preventing and dealing with fraudulent attacks.

This plan outlines how these efforts will provide scrutiny and support to departments and public bodies, and critically, will also translate into tangible benefits for the public purse and the services it supports. These benefits will mean that more of working people's taxes can be spent on rebuilding the services on which we all rely.

To achieve the plan, collaboration is key. The Public Sector Fraud Authority is fostering a whole-of-government approach, encouraging knowledge sharing and coordinated action across all public bodies. This includes capitalising on the opportunities that technology and data analytics present, while also investing in building expertise in this fast evolving area across government. Crucially, we will also begin to take more action where fraud occurs by enhancing our response capabilities.

The task ahead is substantial, but so too is our determination. By implementing this plan, we aim to build a more resilient public sector. We will be more capable, and better equipped to meet the challenges we face now - and we will build stronger foundations so our public sector and public services can meet future challenges.

Georgia Gould

Parliamentary Secretary, Cabinet Office



Introduction from the Chief Executive

The Public Sector Fraud Authority works with departments and public bodies to better understand and reduce the impact of fraud against the public sector. Our efforts, with over 13,000 public servants who work in this area, help ensure that more public money is protected and recovered from those who attack our public services for their own gain.

Since the Authority's launch in August 2022, we have worked to steadily build capability within the PSFA and with our partners in departments and public bodies. We have brought online our Risk, Threat and Prevention Service; started the pilot of the new Enforcement Unit for government; and further developed the data, analytics and AI activities we adopted from our predecessor (Centre of the Government Counter Fraud Function), by building a Network Analytics Platform that brings data together quickly to provide insights to those trying to detect and prevent fraud.

We have shaped and enhanced the oversight of public bodies, through the introduction of outcome based targets for counter fraud work (as reported in the Fraud Landscape Report) and reviews of the Counter Fraud Functional Standard, using an enhanced maturity model.

Beyond this, we have continued the efforts to professionalise counter fraud activity in government. The Counter Fraud Profession, which was launched in 2018, now has over 7,000 members across 70 organisations. It continues to shape and set standards for counter fraud work and to develop qualifications and career paths. Since the PSFA was created, it has supported the creation of standards in new areas such as prevention, new qualifications including the Risk Assessment and Leadership courses, as well as the fraud measurement course that is being trialled this year.

We pride ourselves on delivery. In our first year, we delivered 20 of our 21 published objectives and £311m in outcomes from our services. In 2023/24 we delivered 26 of our 27 objectives alongside £373m in outcomes.

Whilst we are proud of the progress we have made, the modernisation effort being led from the Public Sector Fraud Authority has further to go. This plan shows the key next steps on this journey in 2024/25. We focus on 10 key deliverables this year, which are grouped under our streams that are driven by the government's experiences in the pandemic.

Beyond these 10 key commitments, there are further areas that the Authority continues to prioritise, including: supporting the work of the Covid Counter Fraud Commissioner to recoup public money lost to pandemic related fraud; the ongoing work to build proposals for legislation to enable more action on fraud where it is found; and supporting key areas of new government policy to understand fraud risk up front. We will report on the progress and impact in other areas in our Annual Report.

Mark Cheeseman OBE
Chief Executive



Government is increasing its ambition in reducing the impact of fraud

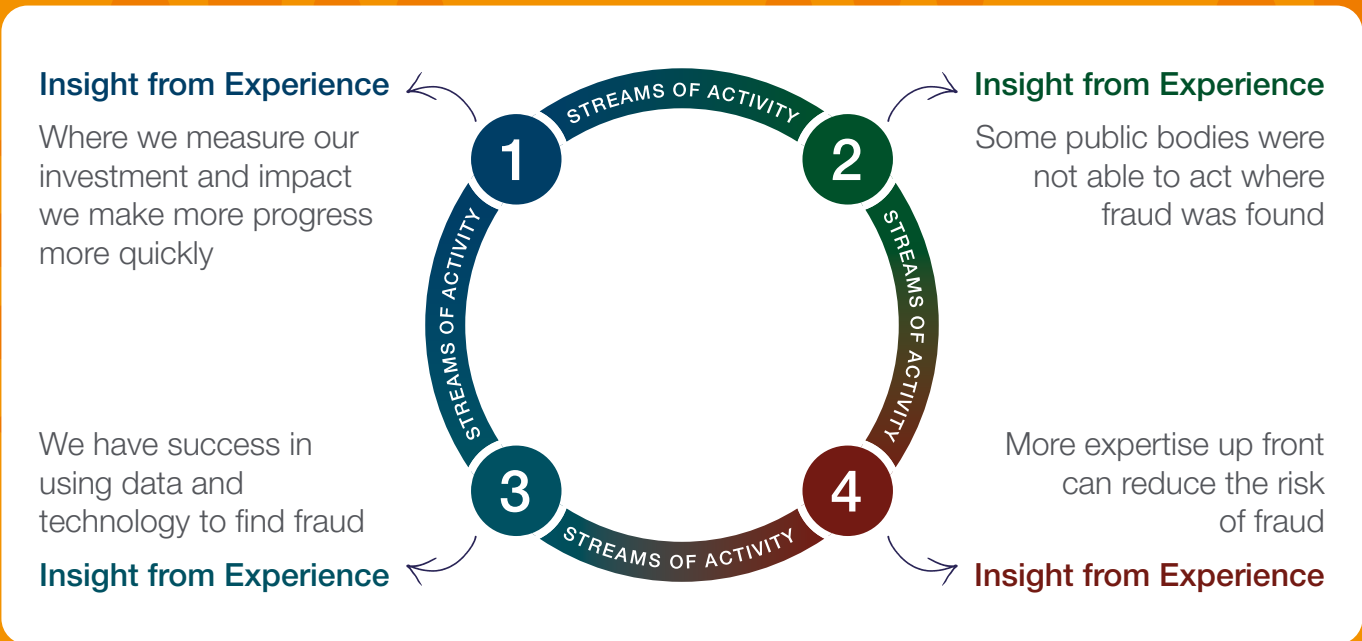
The Public Sector Fraud Authority works with departments and public bodies to better understand and reduce the impact of fraud against the public sector. This work is underpinned by insights gained from our experience in the pandemic.

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

- Stream 1 We will resolutely focus on performance and outcomes
- 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 get more fraud expertise in up front and make a step change in how government prevents fraud

These are supported by a fifth stream:

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



Our Plan

The PSFA was launched in August 2022. In 2022/23, 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 delivered 20 of these objectives and £311m in recognised, audited benefits.

In 2023/24, we built on this design work, increased our delivery and continued to drive an increase in capability across the public sector. We set and published 27 objectives and a target of £185m in recognised, audited benefits. We will report on progress against these objectives in our Annual Report, which will be published in 2025.

2024/25

This year’s plan continues to build on this work of previous years. As the PSFA enters its second year of operations, it continues on the journey of delivering its Mandate. We will continue the modernisation of the public sector fraud response bringing expertise together through the Public Sector Fraud Authority to better understand fraud against the public sector and to have a bigger impact on the problem. This year, the PSFA has a budget of £14m.

We know there is a great opportunity to reduce fraud and error loss. Our estimate, released in the Fraud Landscape Report in March 2024, 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 between £39.8bn and £58.5bn of public money is subject to fraud and error. The more public bodies can take action on this, the more we can protect the public sector and the more money will be available in the public purse for the delivery of public services.

The Public Sector Fraud Authority will continue to drive an increase in capability across the public sector

To simplify our plan in 2024/25, the PSFA is publishing 10 key objectives. Alongside these, we will work closely with the Covid Counter Fraud Commissioner to ensure that everything possible has been done to recoup public money lost to pandemic-related fraud. In addition to this, there are further workstreams we are delivering, which we will report on in our annual report in 2024/25.

The 10 objectives are detailed below, aligned to the five streams of focus.



Stream 1: We will resolutely focus on performance and outcomes

We will:

1

Work with departments to agree targets for their financial impacts for 2024/25, looking to continue to increase the impact public bodies have on the often unseen problem of fraud loss.



2

Review a further 15 public bodies against the Counter Fraud Functional Standard - helping them to understand if they have the basics in place to manage fraud.



3

Produce and publish a review of progress across government on the Counter Fraud Functional Strategy, showing how the government as a whole continues to modernise the way it counters fraud, in line with the strategy.



Be instrumental in change - showing a path to success not just keeping score¹

Put performance at the heart of the public sector fraud conversation - focusing on investments and outcomes¹

¹ <https://assets.publishing.service.gov.uk/media/63207cd68fa8f51825582b2f/3042-PSFA-Mandate-V4-final.pdf>

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

We will:

4

Deliver stage 1 of the Enforcement Unit Pilot, establishing if outcomes can be delivered and continue building the case for the benefits of improved powers.



Stream 3: We will increase the use of data and intelligence to find, stop and recover fraud

We will:

5

Continue to use data, artificial intelligence and analytics and aim to deliver £250m in prevented and recovered fraud and error from PSFA services.



Public bodies can better protect themselves by sharing data and intelligence with other public bodies and working together²

The PSFA has a target of £250m in recognised, audited benefits from its services

2 <https://www.nao.org.uk/wp-content/uploads/2023/03/tackling-fraud-and-corruption-against-government.pdf>

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

We will:

6

Deliver 32 activities in support of departments and public bodies to help them understand their fraud risks and help them better prevent fraud. Activities will include Initial Fraud Impact Assessments, Fraud Risk Assessments, and the testing of controls.



7

Complete the first full iteration of the High Fraud Risk Portfolio - building a common view and increased oversight over the areas of highest fraud risk in government where measurements of loss are not in place.



Preventing fraud and corruption is normally more cost-effective than detecting and pursuing it after it has taken place³

3 <https://www.nao.org.uk/wp-content/uploads/2023/03/tackling-fraud-and-corruption-against-government.pdf>

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

We will:

8

Continue to develop capability for the future by creating the first ever Professional Standards on Fraud Detection and Culture Setting.



9

Continue to build capability to take action on fraud across government by completing the first two full cohorts of the Counter Fraud Leadership Programme.



10

Continue to build capability to take action on fraud across government by qualifying 60 new fraud risk assessors and training the first cohort of fraud measurement experts.



Leaders need to set the right 'tone from the top' on tackling fraud and corruption⁴

Leadership is key to the continued success of the Profession and the future development of all of those working within counter fraud as a Function⁵

4 <https://www.nao.org.uk/wp-content/uploads/2023/03/tackling-fraud-and-corruption-against-government.pdf>

5 <https://www.gov.uk/government/publications/government-counter-fraud-profession-strategy-2023-2025/government-counter-fraud-profession-strategy-2023-2025>

Annex 1: PSFA 2024/25 Objectives

1. Work with departments to agree targets for their financial impacts for 2024/25, looking to continue to increase the impact public bodies have on the often unseen problem of fraud loss;
2. Review a further 15 public bodies against the Counter Fraud Functional Standard - helping them to understand if they have the basics in place to manage fraud;
3. Produce and publish a review of progress across government on the Counter Fraud Functional Strategy, showing how the government continues to modernise the way it counters fraud, in line with the strategy;
4. Deliver stage 1 of the Enforcement Unit Pilot, establishing if outcomes can be delivered and continue building the case for the benefits of improved powers;
5. Continue to use data, artificial intelligence and analytics and aim to deliver £250m in prevented and recovered fraud and error from PSFA services;
6. Deliver 32 activities in support of departments and public bodies to help them understand their fraud risks and improve their controls and countermeasures. Activities will include Initial Fraud Impact Assessments, Fraud Risk Assessments, and the testing of controls;
7. Continue to develop capability for the future by creating the first ever Professional Standards on Fraud Detection and Culture Setting;
8. Continue to build capability to take action on fraud across government by completing the first two full cohorts of the Counter Fraud Leadership Programme;
9. Continue to build capability to take action on fraud across government by qualifying 60 new fraud risk assessors and training the first cohort of fraud measurement experts;
10. Complete the first full iteration of the High Fraud Risk Portfolio - building a common view and increased oversight over the areas of highest fraud risk in government where measurements of loss are not in place.

