



Government  
Counter Fraud  
Function



Public Sector  
Fraud Authority

# The Government Counter Fraud Functional Strategy 2024-2027

2025-2026 Progress Review



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*By embracing foresight and **collective action**, we can continue to safeguard public money from those who seek to exploit the system*

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# 2025



# 2026



*Fraud poses a critical and evolving threat to **every sector** of our economy and every corner of our country*

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# Satvir Kaur MP

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Parliamentary Secretary  
Cabinet Office



# Ministerial Foreword

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*Fraud against the public sector is not a victimless crime. It is a direct assault on the services that our country relies upon and prevents taxpayers' money being spent on the things that matter - reducing hospital waiting times, educating our children, fixing potholes and securing our borders.*

This government is unequivocal in its commitment to fighting public sector fraud. That's why we are delivering the most significant package of measures to tackle fraud and error in recent history - estimated to deliver £14.6 billion in savings by 2031.

We will not stop here. We want to build a system where tackling fraud is no longer the afterthought and instead is at the start of every conversation whenever a new policy or project is designed.

At the forefront of this stands the Government Counter Fraud Function, the people working to safeguard our money. The Function brings together counter fraud professionals across departments and public bodies, recognising that our impact is greater when we work as one.

The impact of the Function is demonstrable and significant - saving £7.5 billion in 2024-25 through dedicated prevention, recovery, and enforcement efforts. This is a testament to what effective counter fraud activity can achieve.

The [2024-27 Government Counter Fraud Functional Strategy](#) sets out the Function's vision to find and prevent fraud against the public sector, alongside the objectives and actions needed to deliver it. It is ambitious and bold - reflecting the progress required to tackle the threat posed by fraud head-on.



*The impact of the Function is demonstrable and significant - saving **£7.5 billion** in 2024-25 through dedicated prevention, recovery, and enforcement efforts*



The Function has made significant progress in delivering the strategy's five objectives - agreeing and implementing over 100 actions across 2024-25 to find and reduce fraud. This year has built upon that momentum, agreeing 98 new commitments across 19 departments and public bodies. I am proud to share that progress with you in this review.

I see the fight against fraud as steps on a continuous path to protect taxpayers. By embracing foresight and collective action, we can continue to safeguard public money from those who seek to exploit the system. I am proud the Function is continuing this vital mission with unwavering pride.

**Satvir Kaur MP**

Parliamentary Secretary, Cabinet Office



A full-page portrait of Mark Cheeseman, a man with short grey hair and glasses, wearing a dark blue suit, a light blue striped shirt, and a gold patterned tie. He is standing on a grand staircase with ornate metal railings. The background is slightly blurred, showing the architectural details of the stairs.

# Mark Cheeseman

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Chief Executive Officer,  
Public Sector Fraud Authority

# Head of Function Foreword

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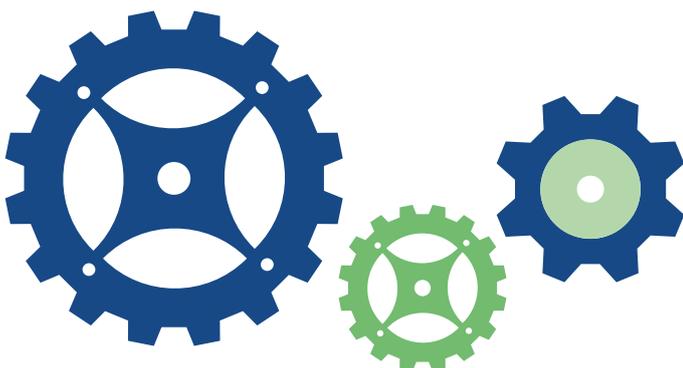
*As I reflect on the past year, I consider how much the global context has evolved. We are experiencing a period of change - one which has seen the issue of trust and integrity in government institutions across the world become front and centre. This makes how the public sector tackles fraud, on behalf of the taxpayer we serve, more critical than it has ever been before.*

Tackling fraud is more complex than it has ever been. We have a capable and committed adversary and we are witnessing an acceleration in their capability and boldness as they continue to exploit technological advancements. The normalisation of AI presents a double-edged sword: offering us new counter fraud controls and capabilities but also providing criminals with more pervasive means to target our systems.

This challenging landscape gives the Government Counter Fraud Function a simple goal. We need to use our collective expertise to push a counter fraud response that delivers outcomes and shifts the system so that it recognises that finding fraud is itself a success. We can only fight it, if we can find it.

The Function brings together over 15,000 public servants working in departments and public bodies to fight fraud. The biggest strength of the Function is that it enables collaboration within and across public bodies to share practices and experiences, agree clear standards and improve the efficient and effective delivery of counter fraud work. Together we can be stronger in pushing back on those who attack our public services.

The Function aims to achieve a fundamental shift: moving from a reactive response to proactive protection. Building resilience into the very design of public services will help ensure that managing fraud becomes an integral part of how we operate. We will continue to leverage data and technology to create an increasingly inhospitable environment for fraudsters.



This second year of the strategy has delivered important steps forward in our commitment to reduce fraud. This has included the significant structural change of introducing new legislation, the passage of the Public Authorities (Fraud, Error and Recovery) Act 2025 gives the government more tools to take action against those who seek to steal from the public sector, recover public money and deter future attacks. This marks a significant shift in the powers accessible by public bodies to prevent, investigate and pursue instances of fraud. I am proud to share many further examples from across the Function with you in this review.



*Tackling public sector fraud is a continuous journey of improvement, requiring us to be more **innovative, collaborative, and forward-looking** than our adversaries*



Tackling public sector fraud is a continuous journey of improvement, requiring us to be more innovative, collaborative, and forward-looking than our adversaries. This means that our work will always continue but the Function will take every single step of that journey with pride.

**Mark Cheeseman OBE**  
Chief Executive Officer,  
Public Sector Fraud Authority

# Introduction

## Government Counter Fraud Function

The Government Counter Fraud Function is one of the [government's fourteen functions](#). The Function helps public bodies to effectively manage counter fraud, bribery and corruption activity in government.

It brings together over 15,000 public servants who work to find and tackle fraud, bribery, corruption and wider economic crime across government. Over 80% of the Function work for the Department for Work & Pensions (DWP) or HM Revenue & Customs (HMRC), whilst the remaining counter fraud staff are spread across the rest of government.

It sets standards, agreed by experts, for critical work areas and provides a structure for the sharing of leading practices so public bodies can draw on their combined experience as one community. It helps public bodies define the professional expectations of counter fraud activities, whilst supporting the continuous skill development of counter fraud specialists.

The development of Counter Fraud as a distinct function comes from the recognition that traditional business functions do not cover the expertise and disciplines needed to find, respond to and prevent fraud. Organisations increasingly are, and should be, investing in specific counter fraud capability.



## 2024-2027 Counter Fraud Functional Strategy

The [2024-2027 Counter Fraud Functional Strategy](#) brings a renewed focus to find and fight fraud and utilising the strengths and expertise of departments and public bodies to collectively strive for better outcomes.

The Strategy sets out the five strategic objectives for the Government Counter Fraud Function, which have been summarised on the next page:



# Strategic Objectives



## Support and develop our people

The Function will work to develop a dynamic counter fraud workforce that is better equipped to meet evolving fraud threats and which is able to develop deep expertise. We want to attract talent and increase capacity, while ensuring that those in counter fraud roles are developed and supported in their work.



## Harness data and technology more effectively

The Function will work across organisational boundaries to promote data sharing and to minimise the barriers to doing so. Data and analytics will be utilised across the Function to drive increased performance, supported through quality evidence and assurance activity.



## Embed prevention

The Function will work to embed an increased range of strong prevention practices, developing enhanced approaches to designing out fraud including controls testing and to measure the benefits of preventative action.

We will develop and embed robust prevention activity from the initial stages of scheme and programme design with clear underpinning methodologies. There will also be increased understanding of the risk and threat landscapes.



## Drive a targeted, proportionate response against fraudsters

The Function will increase access to enforcement activity, coordinating cross-departmental action to maximise the consequences felt by those who commit fraud, bribery and corruption against and within the public sector. Enforcement will be increasingly professionalised with an increased level of oversight.

Whilst a strong and consistent enforcement response is an important deterrent, the Function will increase, apply and more effectively coordinate the range of criminal, civil and other counter fraud tools in our toolbox.



## Secure cross-system cultural change

The Function will work to improve recognition of the value and impact of counter fraud work. There will be increased advocacy for it at every level, increasing engagement from senior leaders and non-counter fraud professionals across the public sector. The Function will use clear and accessible communications to celebrate our successes, ensuring partners understand the value and impact of our work.

# 2025-26 Action Plan

The Counter Fraud Functional Strategy committed to the development of annual Action Plans. Whilst the Strategy sets out the roadmap for what the Function aspires to achieve by 2027, each Action Plan sets out the practical steps of how the Function aims to meet those achievements, year by year.



In creating the 2025-26 Action Plan, the Function has agreed **98 new commitments** across **19 departments and public bodies** through the Government Counter Fraud Functional Leaders Board<sup>1</sup>. This builds on the 113 commitments that were agreed and actioned across the 2024-25 Action Plan. Of the 113 commitments from the 2024-25 Action Plan, 93 have been completed, with the remaining 20 continuing into 2025-26.



The Board, led by the Public Sector Fraud Authority (PSFA), has provided quarterly assurance for the progress of each action to help to support delivery.



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The delivery of these action plans is the collective responsibility of all members of the Function, and undergoes regular assurance via the Functional Leaders Board  
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<sup>1</sup> The Fraud Functional Leaders Board provides the strategic leadership and direction for the Government Counter Fraud Function. It is chaired by the Head of Function and is composed of counter fraud senior civil servants.

# Marking our progress

*Since the strategy was published in March 2024, the Government Counter Fraud Function has used it to shape, and make the case for, new counter fraud activities.*

In the strategy's first year, the Function made strides across several key areas, such as improving the availability, promotion and take-up of counter fraud training and departments improving their ability to accurately identify and report losses resulting from fraud and error.

In the strategy's second year, the Function has put greater focus into the areas of challenge from the previous year. This includes areas such as increasing capability in areas such as the quality and wider adoption of initial fraud impact assessments and fraud risk assessments, as well as identifying more opportunities to utilise data analytics to identify potential fraud.

However, the Function recognises that there is still more work to be done in order to drive real change and minimise the impact of fraud against the public sector.

The following section sets out:

- where the Function has driven progress against each objective in the second year of the strategy, highlighting example case studies from a relevant department or public body; and
- where there are further challenges against each objective and what areas the Function will focus on next year.



*In the strategy's second year, the Function has put greater focus into the areas of challenge from the previous year*



## Objective One: Support and develop our people



*Those working across the Function are striving to take action against those who attack the system, better understand how those attacks happen and make the government more resilient to them. Being able to effectively counter fraud relies on those individuals and best supporting them to ensure they have the appropriate skills and expertise.*

The main actions taken by the Function in pursuit of this objective have centred around:

- deepening counter fraud knowledge and expertise, with departments and public bodies completing core modules to meet the Government Counter Fraud Profession (GCFP) standards;
- delivering specific sessions to staff in roles identified as high-risk for fraud or error to build preventative capability; and
- reviewing their current workforce skills against future requirements to identify specific training needs, recognising strengths and weaknesses.

The Function has taken action to embed and expand counter fraud training and development, focusing particularly on those working outside counter fraud roles in order to build more cross-organisational counter fraud resilience. For example, counter fraud training, as part of induction processes or regular professional development, is now mandatory across central government. Counter fraud teams across the Function highlight that this is driving a counter fraud culture throughout organisations.

Investment in counter fraud awareness is a vital lever to encourage that fraud risks and their mitigations are considered in policy development across the system earlier. Building organisational networks creates visible counter fraud communities that multi-disciplinary teams can consult in relation to counter fraud advice. The Function has been making strides to build these in individual departments. For example, the Department for Energy, Security and Net Zero (DESNZ), is introducing a Counter Fraud Champion Network, whereby a senior leader will drive activities such as supporting fraud risk assessment and loss measurement activities across DESNZ schemes. Similarly, in 2025 the Department of Health and Social Care (DHSC) has established a 'Security and Anti-Fraud Champions Network' in which facilitates a shared community between security and counter fraud professionals.

Beyond supporting non-counter fraud staff, the Function is also focusing on improving the capability of existing counter fraud professionals by implementing a growing offer of specialised counter fraud training, and increasing alignment with GCFP frameworks and standards. This includes identifying gaps in knowledge and development, and ensuring that professionals can have the appropriate skills to tackle fraud. The Department for Business and Trade (DBT), the Department for Education (DfE), the Department for Energy, Food and Rural Affairs (DEFRA), the Home Office and the Cabinet Office have all implemented skills development to increase compliance with counter-fraud standards.

For instance, DEFRA have introduced an annual Fraud Awareness Plan that sets out engagement and awareness raising activity over the year, including proposed targeted training sessions, awareness raising comms, development of bespoke products, and details of specific awareness events, such as International Fraud Awareness Week.

Beyond fraud awareness, the GCFP is developing a new Fraud Control Apprenticeship. The apprenticeship will develop people seeking careers in the public, private and voluntary sectors and teach them the skills required to prevent, deter, detect and measure fraud. This includes developing technological skills including data analytics and cyber security. This apprenticeship will be launched later in Spring 2026.

Furthermore, through the Counter Fraud Leaders Development Programme, our leaders are gaining the expertise needed to stay at the forefront of the field. This ongoing investment ensures the Function remains a leader in policy innovation and effective delivery. Building on the two cohorts that successfully completed the programme in 2024-25, two further cohorts have begun the programme across 2025-26, with 12 further departments and public bodies being represented on the programme.

## Case Study



Public Sector Fraud Authority

# Launch of Counter Fraud Investigator Apprenticeship

In 2020, the Public Sector Fraud Authority (PSFA) launched the Counter Fraud Investigator Apprenticeship, a 24 month qualification designed to develop professionals capable of leading and supporting investigations into fraudulent activity across the public and private sectors.

The apprenticeship covers everything from driving investigations, navigating the world of legal compliance and determining outcomes for cases. It was created to support individuals working in law enforcement or investigative roles within organisations such as His Majesty's Revenue and Customs (HMRC), the Department of Work and Pensions (DWP), the National Health Service (NHS), local authorities and the Serious Fraud Office and upon completion, apprentices are eligible for professional recognition within the Government Counter Fraud Profession at the Practitioner level.

The apprenticeship is an example of investment in the long-term capability of counter fraud experts, which is continuing to expand rapidly. For example, 37 counter fraud staff had successfully achieved an apprenticeship and practitioner status as of December 2023 but this number has quadrupled to 148 as of December 2025, with a further 346 in training.



### Areas to go further:

As the nature of fraud continues to evolve, government professionals must be equipped with specialised expertise and robust support. We are committed to ensuring that new recruits feel empowered to develop their skills and build long-term, impactful careers in counter fraud.

To that end, the Function is keen to develop and make further progress in the following areas:

- improving specialised and technical capability, identify strengths and weaknesses of counter fraud capabilities;
- ensuring that Government Counter Fraud Profession (GCFP) standards are adopted throughout government and embedded in ways of working; and
- evaluating training offers to measure the effectiveness and impact of training on developing counter fraud awareness and capability across government.

Across all these areas, the Function will also continue to work with internal and external partners to develop strategic insights on capability requirements, skill gaps and capability development best practice will also be vital in the Function's approach to support our people.

## Objective Two: Harness data and technology more effectively



*Utilising data analytics to tackle fraud is fundamental to the stewardship of public money, helping to detect fraudulent or erroneous payments at the earliest opportunity. Data analytics can be applied in a variety of ways: from foundational controls - such as verifying that a supplier is paid only once - to the integration of artificial intelligence (AI) to identify sophisticated fraud risk patterns.*

The Function is committed to fostering cross-departmental data sharing to better identify and reduce fraud. We aim to eliminate barriers to information sharing, utilising accurate data analytics and transparent assurance frameworks to drive operational excellence through evidence-based insights.

In the past year, impactful work has been done right across the Function to utilise data and technology to tackle fraud. This includes:

- developing and implementing data analytics tools, apps and platforms to monitor fraud risks and track performance;
- increasing data sharing and collaboration opportunities to support cross-checking and investigation and improving ability to identify anomalies;
- increasing the blended skills of counter fraud and digital experts - with there being a 33% increase in those working in fraud data and analytics between 2023-24 and 2024-25;
- measuring and quantifying fraud impact through new methodologies and reporting improvements to better quantify the impact of fraud prevention, detection and recovery efforts; and
- leveraging AI and advanced analytics to identify trends, embed insights into decision making and improve fraud detection.



*Across the year, the Function has taken action to improve processes that help to accurately identify and report fraud and error loss*



The Function has identified further opportunities to share data across organisational boundaries in order to find and prevent fraud. For example, the Department of Digital, Culture, Media and Sport (DCMS) is delivering a data sharing pilot, under the Digital Economy Act 2017, with HMRC on Cultural Recovery Fund grants to proactively detect turnover inflation fraud. Initial analysis suggests that this pilot shows promising results, with several high-value discrepancies identified that warrant future fraud investigation. Since May 2018, the DEA powers have been used by 25 government departments and executive agencies and 70 local authorities, resulting in 122 data sharing pilots being registered.

In addition, DHSC is increasing data sharing with other government bodies to corroborate COVID-19 procurement supplier data (in areas such as personal protective equipment and ventilators) to ensure suppliers are abiding with tax regulations. This has already resulted in the detection of fraud anomalies, leading HMRC to begin new fraud investigations.

In order to fight fraud, you have to find it. Across the year, the Function has taken action to improve processes that help to accurately identify and report fraud and error loss. For example, the Department for Science, Innovation and Technology (DSIT) and the DESNZ have implemented a digital risk management solution to support the management and mitigation of their organisational fraud risks by providing a detailed picture of the trajectory of these risks.



# Transforming Fraud Risk Management through a Centralised Power BI App System

## Case Study

Over the past several years, the Department for Education (DfE) has completed or initiated a large volume of Fraud Risk Assessments (FRAs), each capturing valuable insights into risks, controls, and emerging issues across the department. However, because each FRA was stored separately, the organisation lacked a single, consolidated view of risk exposure. This created barriers to identifying common themes, monitoring actions, and providing senior leaders with timely, data-driven insights.

To address this, the Counter Fraud Team led a project to develop a centralised system that brings all FRA data together in one place. Working closely with DfE digital teams, a Power BI App was designed and built to collate, structure, and visualise every FRA across the department. The programme involved reshaping existing processes, defining consistent data standards, and supporting teams through the transition from spreadsheets to a unified digital solution.

The resulting Power BI App now provides real-time dashboards showing high-risk areas, overdue or incomplete actions, and patterns emerging across directorates and programmes. This has significantly improved the department's ability to monitor fraud risk at scale. The tool highlights how risks are being managed, which controls are effective, and where interventions may be needed. It has also strengthened operational planning by showing progress on each assessment and enabling DfE to allocate future FRAs more efficiently.

The project demonstrates how central government organisations can turn fragmented local data into meaningful, organisation-wide intelligence. It shows the value of combining clear governance, user-centred design, and modern data visualisation to strengthen oversight and improve decision-making.

The team is now progressing to Phase 2, which focuses on improving usability and reducing manual data entry. Automating more of the workflow will free up staff time, reduce duplication, and enable assessors to focus on delivering insight rather than administration. This case highlights an approach that is reusable across government: using a central digital solution to bring together risk information from multiple teams, strengthening organisational resilience and helping departments better understand and respond to fraud risks.

### Areas to go further:

The Function recognises that progress in the objective remains challenging. Pockets of innovative utilisation of data analytics to tackle fraud and error exist - and are delivering outcomes. For example, the NHS Counter Fraud Authority (NHSCFA) introduced Project Athena, a data science and machine learning project, as a pilot in early 2024. The pilot detects anomalous data points that could be prioritised for investigation or fraud prevention intervention, such as staff working elsewhere while claiming to be sick or fake invoices for goods and services not supplied. NHSCFA is realising a 3:1 return on investment, in part due to Project Athena.

However, this is not mainstream across departments and public bodies. A significant shift still needs to happen in order to use blended counter fraud and digital skills to deploy effective digital tools to reduce fraud.

In July 2025, the National Audit Office (NAO) published a cross-government report 'Using data analytics to tackle fraud and error'<sup>2</sup>. This set out recommendations as to how the government can leverage data analytics and technology to prevent and detect fraud and error - noting that data analytics can achieve significant returns on investment, but that savings to date have been modest compared to its potential.

The Function agrees with the challenges set out by the NAO. That's why it will continue to make harnessing data and technology a priority - it is essential across the entire lifecycle of fraud management.

It is because of this that the Function will work towards making further progress across 2026-27 in the following areas:

-  improving data sharing within and across public bodies through increased fraud-related data sharing pilots and initiatives, and exploring new opportunities to use existing or in-development data sharing platforms for counter fraud purposes;
-  developing and testing new analytics techniques or AI models for high-risk areas to prevent fraud, shifting away from a fraud detection-favouring approach; and
-  striving to solve common issues across departmental boundaries through new opportunities in partnership with the private sector.

## Objective Three: Embed prevention



*The best way to tackle fraud is to prevent it from happening in the first place. Preventing fraud through effective counter fraud practices reduces loss and reputational damage. It also requires less resources than an approach focused on detection and recovery.*

It is the aim of the Function to embed robust methodologies for fraud prevention and measurement to achieve our outcome for the end of this strategy. The foundation of effective fraud prevention is well-developed and understood fraud risk practices. It is in this vein that the Function has largely focused its efforts to date.

Building on what the Function achieved in the first year of the strategy, the Function has continued to normalise strong fraud risk practice across their organisations. For example, the Home Office has sought to embed the prioritisation of Initial Fraud Impact Assessments (IFIA) and full FRAs for new and existing funding schemes. They have worked across their department to embed IFIA's and FRAs alongside the development of a quality assurance process.

Furthermore, the Department for Education (DfE) has produced a Fraud Risk Assessment annual plan which outlines their approach and methodology for prioritising detailed FRAs within DfE. The plan aims to achieve detailed FRAs completed with an aggregated value of £70 billion.

Going further, departments are increasingly developing organisational-level Enterprise Fraud Risk Assessments (EFRAs) to help them better understand their organisation's cross-cutting fraud associated risks, the strength of existing controls and how to mitigate risks further. For example, DfT has also designed and operationalised their EFRA - which will help provide holistic oversight of the department's total fraud risk and driving team priorities to support the reduction of these risks. This follows other departments across the Function, such as the Foreign, Commonwealth and Development Office, the Ministry of Defence and Ministry of Justice.

Preventing fraud is driven by the experts that can do it effectively. It is a specialism, requiring different skills from that of other counter fraud disciplines. Across 2023-24 and 2024-25, there has been a 210% increase in those working in fraud prevention specifically. This is a testament to the increased focus the Function is driving in fraud prevention.



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*Preventing fraud is driven by the experts that can do it effectively*  
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## Case Study



Ministry of Justice

### Embedding fraud prevention in major spending initiatives

The Ministry of Justice (MoJ) is one of the largest government departments, with a diverse portfolio of functions and public bodies delivering justice services. This diversity is reflected in the varying levels of inherent fraud risk across the organisation.

MoJ Counter Fraud sits as part of the Security and Information Directorate and acts as a 'Keyholder' for all investment proposals. Initially, the team found themselves reviewing complex business cases that included little or no consideration of fraud risks. As a result, a decision was made to mandate an Initial Fraud Impact Assessment (IFIA) as a required business process needed before any investment proposal could proceed through a 'Keyholder review'.

Whilst IFIAs are mandatory for GMPP schemes, in MoJ they are now required for all new project and programme proposals. This has significantly increased engagement between Project Delivery Function, Project Managers and SROs with Counter Fraud. The process highlights potential fraud risks early and reinforces the need to design out fraud as far as is practicable.



This approach is underpinned by an FRA Plan that tracks all business cases progressing through Keyholder review and ensures that the IFIA has been completed and quality assured. This in turn supports parallel fraud risk initiatives, such as the EFRA, thematic FRAs in core supporting functions, and detailed FRAs for high-risk or high-spend business areas.

MoJ is leading the way in this approach, which counter fraud teams in other departments are keen to implement.

#### Areas to go further:

Progressive steps have been taken in the second year of the strategy towards increasing fraud prevention activity across the function. However there is still more that the Function can do to ensure prevention activity is more routinely embedded, building on the foundations of fraud risk management that is being implemented. For the next year, the Function will target its focus on the following areas:

increasing the understanding of cross cutting fraud risks between departments, allowing for more opportunities to work in collaboration;



identifying more opportunities to scale up prevention activity across the function, providing greater opportunity to prevent money falling into the hands of fraudsters; and



taking the next steps to moving to a design fraud out approach and working with counter fraud policy to ensure fraud prevention is considered at an earlier stage in the process for introducing new funding.

## Objective Four: Drive a targeted, proportionate response against fraudsters



*We recognise that counter fraud resources and capabilities vary across the public sector. By expanding access to shared enforcement activity, we can ensure that anyone committing fraud, bribery, or corruption faces the maximum possible consequences.*

Across the Function, action is being taken to enhance the ability of government departments in taking action against fraudsters. This includes:

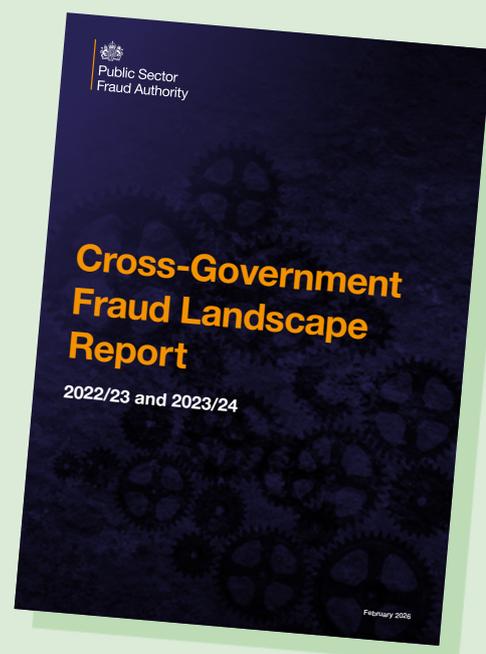
- facilitating the sharing of investigative techniques and best practices across government; and
- implementing effective Fraud Management Plans in areas with high fraud-risk to embed fraud controls.

The Function has taken action to improve the detection of fraud, working towards improved risk assessment understanding, as well as increasing and embedding the use of new technologies. For instance, HMRC is in the process of piloting a new HR Expert Advice Service to streamline processes and reduce manual handling. This work will explore potential HMRC data sources to determine the greatest insider fraud risks, and anticipate future fraud threats.

Furthermore, the Department of Education (DfE) have sought to better pursue those who commit fraud, including through implementing a standardised process for recording fraud referrals, implementing a standard operating procedure, and identifying emerging risks through trend analysis. This will also inform proactive fraud prevention.

When fraud is detected, the function is also working to better support counter fraud investigators by increasing their capability to apply sanctions and take tough action against fraudsters. The Public Authorities (Fraud, Error and Recovery) Act 2025 represents a significant milestone in that effort. The Act gives the PSFA powers to conduct investigations, levy civil penalties on fraudsters, and recover money on behalf of public authorities outside of tax and welfare. This will be led by the Public Authorities Fraud Investigation and Enforcement Service, an expert unit of specialist investigators which will recover public sector funds lost to fraud, which received funding at the 2025 Autumn Budget.

Robustly challenging fraudsters is not simply confined to enforcement. As part of its ongoing work to modernise counter fraud activity, the government continues to ask departments to set targets for their counter fraud work based on the financial impact they have. The overall aim is to drive performance and increase transparency. As set out in the [2022-23 and 2023-24 Fraud Landscape Report](#), in 2023/24, 14 government departments (excluding DWP and HMRC) set financial targets totalling £331.4m for their counter fraud work. The total fraud and error prevented and recovered in 2023-24, for those departments in scope for financial targets, was £913.5m. When adjusted for one-off events unlikely to recur and excluding these from the total, the performance across departments was £341.3m, therefore exceeding the ambition for 2023-24.



## Case Study

# COVID Fraud Enforcement and Savings (Cross-government)

The Function has been taking action on COVID fraud, with a number of departments increasing their enforcement efforts to identify and recover fraud committed during the COVID-19 pandemic.

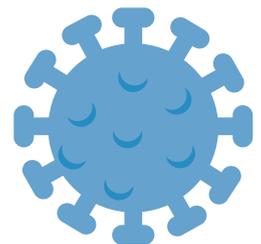
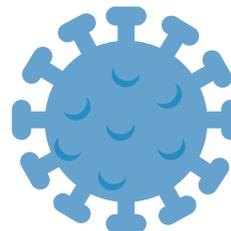
The COVID Counter Fraud Commissioner's Report was published in December 2025, of which the government has already implemented recommendations:

The government has launched the Voluntary Repayment Scheme for Bounce Back Loans. This allows individuals or businesses who received a Bounce Back Loan that they should not have taken out to repay the loan voluntarily. This aims to help recover losses during the Bounce Back Loan Scheme.

The government also launched the COVID Fraud Reporting Site, a website where members of the public can anonymously report suspected cases of COVID-19 fraud.

The government will publish its response to the Commissioner's report in 2026. This will give the Function greater opportunities to tackle outstanding COVID-related fraud, and embed practices to help prevent fraud in future emergency situations.

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*The Function has been taking action on COVID fraud*  
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### Areas to go further:

For 2025-26, the Function will work towards making further progress in the following areas:

- ✓ continuing to develop ambitious government counter fraud financial targets, ensuring best practice is sought and embedded across the system; and
- ✓ developing best practice guidance on how departments and public bodies should utilise different approaches in responding to fraudsters.

## Objective Five: Secure cross-system cultural change



*Our Function's impact needs to be better understood and more widely appreciated. To successfully combat fraud, we must first find it—and that requires a culture where everyone feels empowered to seek out and tackle it head-on.*

To do that, we must continue engaging senior leaders and non-specialists across the public sector. By doing so, we ensure that staff at all levels can identify fraud and utilize the Function's support effectively. Furthermore, we will leverage our communication channels to demonstrate the government's proactive stance, thereby strengthening public trust.

Across the Function, work is underway to raise greater awareness of Functional activities and the value it brings. This includes:

- building and utilising internal and cross-departmental counter fraud networks and champions;
- developing and delivering targeted training and communications to build awareness of fraud risks and controls; and
- updating governance and strategy development to align with modern standards and set a clear direction for tackling fraud.

The Function has been establishing trusted engagement networks to signal and promote the work of counter fraud professionals in their organisation, whilst providing trusted advice across counter fraud policy areas. For example, DHSC has established a post-COVID Counter Fraud Liaison Group, aimed at better aligning DHSC's arm's-length bodies (ALBs) with counter fraud standards through knowledge sharing. The sessions to date have focused on utilising Fraud Risk Assessments (FRAs), effective fraud investigations, and future collaboration - and have involved representation from senior counter fraud leaders across health policy. The reception from the Group's activities have been so positive, that it will be further expanded across the Health Counter Fraud Group.

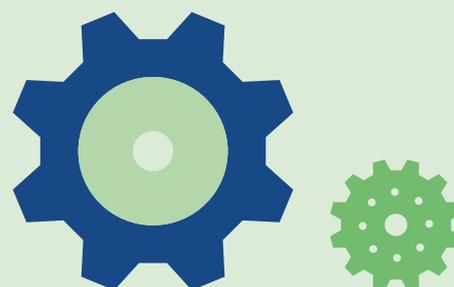
Beyond community networks, the NHS Counter Fraud Authority is developing and implementing a Counter Fraud Awareness and Culture Plan, which focuses on key risks, supports participation in International Fraud Awareness Week, and aims to embed the GCFP 'culture' standard across the sector.



*The Function has been establishing trusted engagement networks to signal and promote the work of counter fraud professionals in their organisation, whilst providing trusted advice across counter fraud policy areas*



The Function is also undertaking action to ensure counter fraud activities are understood by those most senior in every organisation. For example, the MoD is undertaking a Counter Fraud Review to understand its current ability to fight fraud, identify any gaps, and figure out the best way to improve. MoD is working with key teams to learn from others on how different parts of the organisation contribute to counter fraud activity, using this to influence further support from senior officials.



## Case Study



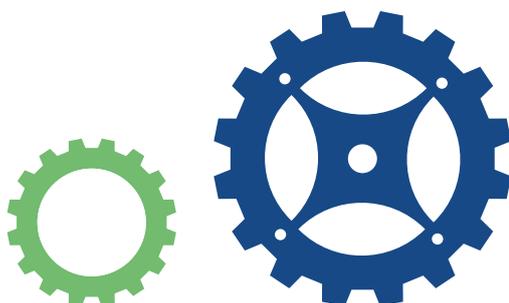
Department for Business & Trade

### Delivering new counter fraud training programmes

The Department for Business and Trade (DBT) is proactively strengthening its defences against financial crime through the development of a multi-layered approach to counter fraud awareness and capability-building. The goal is to support the continued development of the central counter fraud team and ensure the wider department has the necessary skills and knowledge to effectively combat fraud, error, bribery, and corruption. This ongoing work forms part of DBT's broader efforts to safeguard public funds.

Significant progress has been made, transforming capability into tangible results. Members of the core counter fraud team are undertaking professional development through PSFA courses, and the Functional Lead is strengthening strategic capability through the Counter Fraud Leadership Programme. Targeted awareness activities are successfully translating into practical impact. Bespoke sessions for colleagues working on higher fraud risk programmes have increased understanding of fraud indicators and have supported appropriate referrals, demonstrating the value of focused engagement. Internal communications – including International Fraud Awareness week sessions, all-staff messages and Fraud Prevention Notices – are helping to embed a culture of vigilance.

Looking ahead, DBT will continue to expand the reach of its training and awareness activity, ensuring colleagues across the DBT Group are supported to recognise and respond to fraud risks effectively.



#### Areas to go further:

For some public sector bodies, there is still further to go. We want to do more to ensure that perceptions of counter fraud work changes, so that it becomes more embedded within departments and is a key component in the design stage of activities. We will aim to do this in the following ways:

- ✓ formalise a programme for cross-departmental resource sharing and secondments to extend highly specialised counter-fraud skills across government; and
- ✓ supporting arm's-length bodies and wider public bodies beyond government departments to embed existing counter fraud guidance and engagement to ensure a consistent sector-wide approach.
- ✓ integrate counter fraud measures into core business processes and systems to prevent fraud at point of service.

## Our future focus

*The threat from fraudsters seeking to target the public sector continues to evolve. Every new grant, policy, contract and programme launched across the public sector can give fraudsters new opportunities to steal public money.*



As the strategy reaches its halfway point, the Function is focused on delivering the strategy's objectives in an agile way that reflects a changing public sector fraud landscape.



That's why the Function will develop its third and final Functional Strategy Action Plan in 2026-27. As with the current and previous Action Plan, the 2026-27 Plan will leverage the distinct strengths and expertise of individual departments and public bodies, aiming for better collective outcomes and acknowledging the varied experiences of counter fraud work across government.



Action Plan 2026-27 is currently being co-developed by leaders across the Function. This plan will be aligned with the development of organisational action plans, as mandated by the Counter Fraud Functional Standard, and will expand upon this year's progress in key areas.



The delivery of Action Plan 2026-27 is a shared responsibility across the entire Function. Its progress will be subject to regular scrutiny and assurance by the Functional Leaders Board, mirroring the process for the current Action Plan.



The Function will also publish a final update in 2027-28, reflecting a final report on the 2024-27 Counter Fraud Functional Strategy. This will provide a concluding overview of the progress against the strategy's objectives, the total number of actions that have been completed and set out where common challenges or barriers still need to be addressed.



# Notes

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# Government Counter Fraud Function

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