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Cabinet Office is at the centre of the UK Government
The Prime Minister, No. 10 and the Cabinet are all part of Cabinet Office.

Sir Mark Sedwill
Cabinet Secretary and
Head of the Civil Service

John Manzoni
Chief Executive of the Civil Service and
Permanent Secretary of the Cabinet Office



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The Cabinet Office has established an International Public Sector Fraud Forum to share best practice on the common problem of fraud against the public sector.

Bringing countries together to fight public sector fraud

~ *Australia* ~ *Canada* ~ *New Zealand*
~ *United Kingdom* ~ *United States* ~





Centre of Expertise for Counter Fraud

The role of the centre of expertise is to provide leadership and guidance on what government organisations should do counter fraud and economic crime. It is responsible for:

- Understanding the fraud landscape;
- Understanding the challenges in dealing with fraud and economic crime;
- Building and increasing capability in countering fraud.

It works across government to deal with challenges in this area.



If you can't find it,
you can't fight it

Chloe Smith MP, Minister for the Constitution



One of the biggest challenges that government faces is that **fraud is a hidden crime**.

In central government we have increased the value of detected fraud and error from £60m in 2014/15 to £215m in 2017/18.



£31-48bn

The best estimates we have from across the public sector suggest that £31bn-£48bn is lost to fraud and error every year.

This figure is made up of the estimates from Cabinet Office Fraud Measurement Assurance programmes and other loss measures in areas such as tax, welfare, health and tax credits.



Total estimated fraud & error loss per year:
£31 - £48 billion

Detected fraud

In 2017, government detected around £8.8bn of fraud and error, including welfare & tax. This figure represents the tip of the iceberg.

Estimated fraud

Just below the surface, government estimates £28.6bn of fraud and error. These are estimates from loss measurement programmes in areas such as welfare, health and includes the tax gap.

Unknown fraud

Deep below the surface, there is the unknown element: £2bn - £19.6bn. This is calculated as 0.05% to 5% of annual government expenditure.



19 out of 21

90% of our projects are finding fraud in areas of government where it was previously undetected.



Cabinet Office aims to find more fraud through the following programmes:

- *Fraud Measurement and Assurance*
- *Fraud Prevention Panel*
- *Counter Fraud Champions*
- *Data Analytics*
- *International Public Sector Fraud Forum*

We collaborate with government departments through the implementation of Functional Standards



12

There are twelve functional standards for counter fraud. They represent a set of management practices that organisations should have in place.



57

Since 2017, 57 organisations have adopted the functional standards for counter fraud.
Including all 17 central government department and 40 arms length bodies.



THE 12 FUNCTIONAL STANDARDS FOR COUNTER FRAUD, BRIBERY AND CORRUPTION

1. Have an **accountable individual** at Board level
2. Have a **counter fraud, bribery and corruption strategy**
3. Have a **fraud, bribery and corruption risk assessment**
4. Have a **policy** and **response plan**
5. Have an **annual action plan**
6. Have **outcome based metrics**
7. Have **reporting routes for staff, contractors and members of the public**
- 8. Report identified loss**
9. Have agreed **access to trained investigators**
- 10. Undertake activity to try and detect fraud in high-risk areas where little or nothing is known of fraud, bribery and corruption levels**
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**



In order for organisations to successfully implement the Functional Standards it is essential they employ people with the skills and expertise to embed these practices.

In 2018 we launched the UK Government Counter Fraud Profession, which is designed to improve the capability and skills of those working in Counter Fraud



2022

Every Government Department will have a senior member of the Counter Fraud Profession responsible for agreeing:

- targets
- savings
- business cases
- functional contribution to accounts



UK Government



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www.gov.uk/cabinet-office