

Improving Fraud Prevention Across The Public Sector

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An overview

- What are the most common types of fraud and how do we find them?
- Key issues and mistakes in tackling fraud
- Applying best practice to counter fraud
- What can we do better?

Common Public Sector Frauds

Public perception?

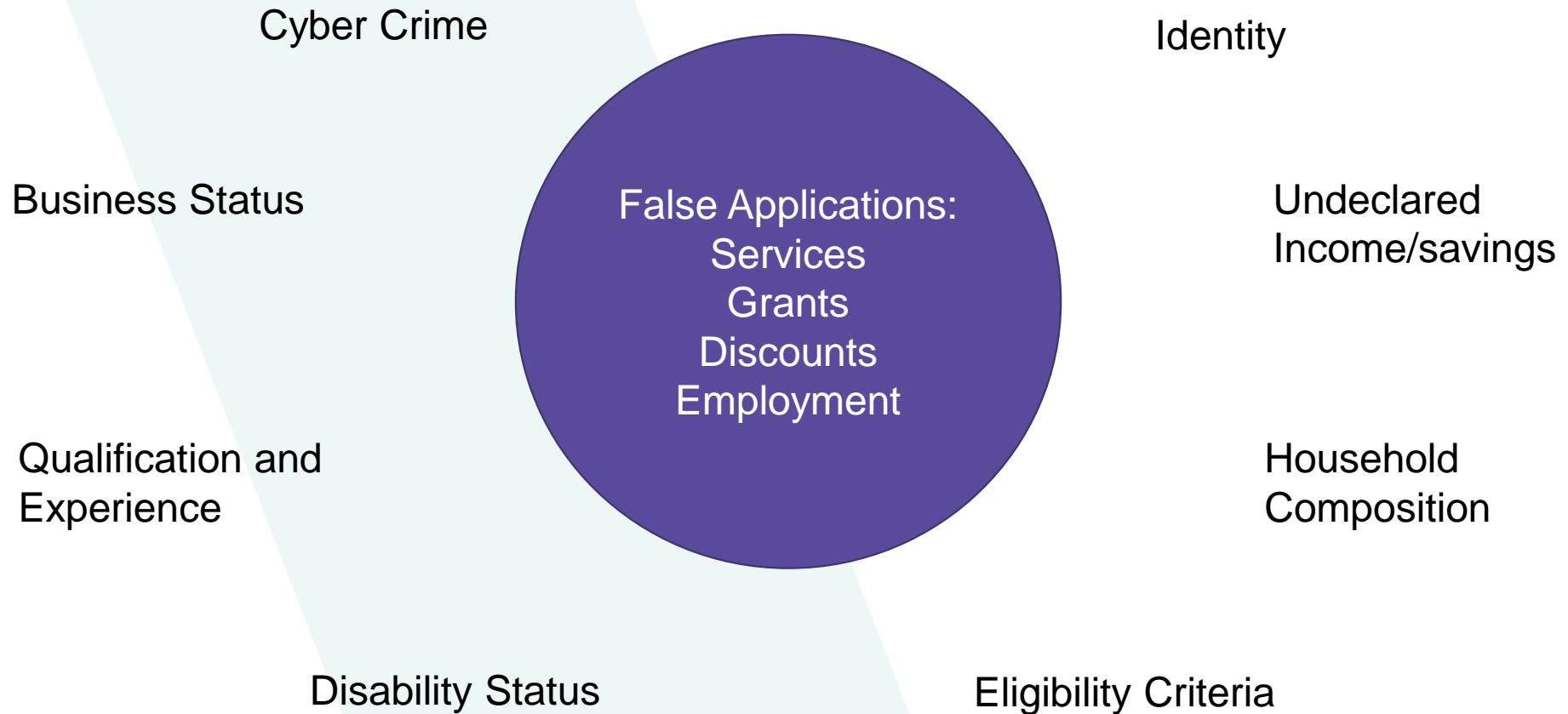
- Tax evasion
- Benefit fraud
- MP expense fraud

Reality?

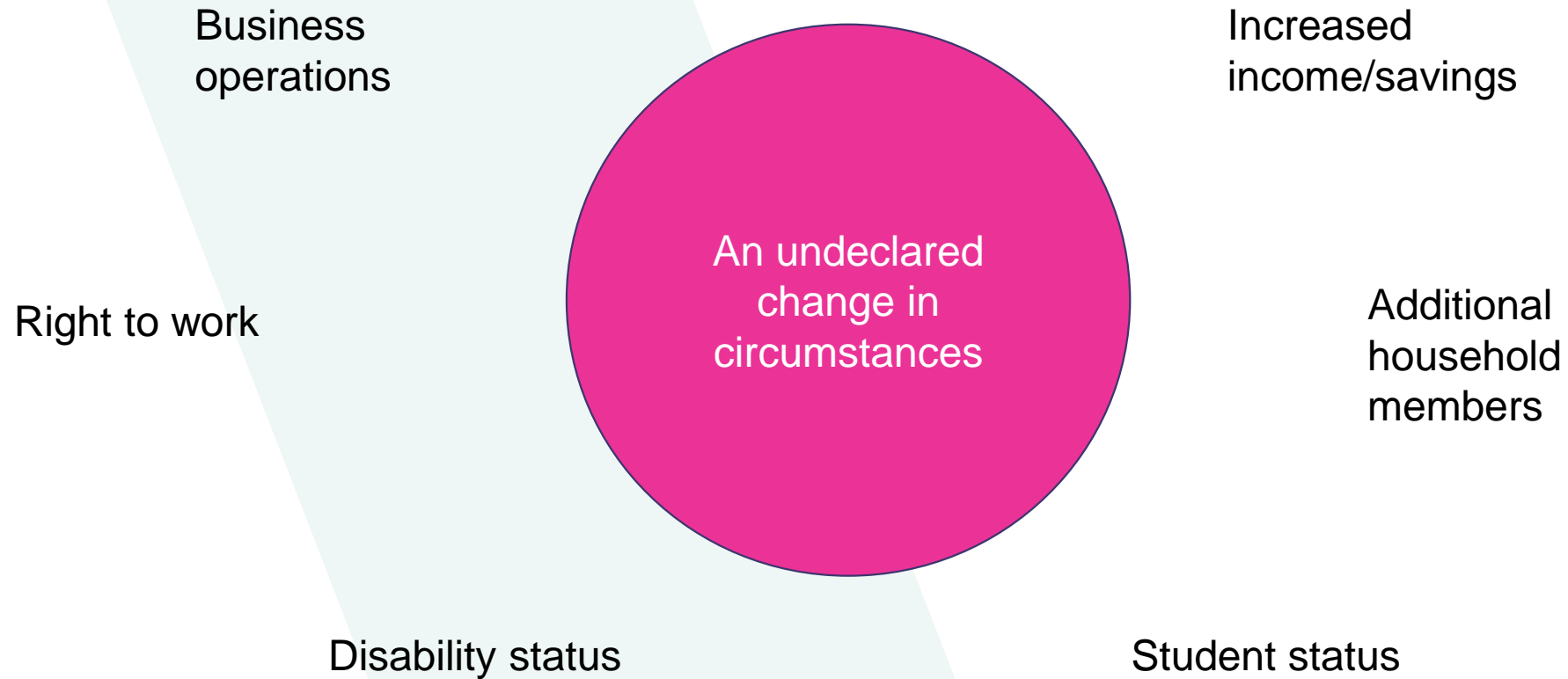
- Housing tenancy fraud
- Council tax discount fraud
- Blue badge fraud
- NHS fraud
- Student finance fraud
- Pension fraud
- TV licence fee evasion

- Grant fraud
- Procurement fraud
- Payroll and recruitment fraud
- Internal fraud

How is fraud committed – False Application



How is fraud committed – Undeclared change



How is fraud committed – Abuse of position

Occupies a position in which they were expected to safeguard, or not to act against, the financial interests of another

They abused that position



They acted dishonestly

They intending by that abuse to make a gain or cause a loss

Finding Fraud

- Shouldn't we prioritise prevention?
- Why is detection and measurement important?
- We can't afford to take any action when fraud is detected

My Answers

- Yes, but you need to know how
- It helps you understand how fraud has occurred, to eradicate it from the system, to understand how to prevent it and to justify spend on prevention methods
- You can't afford not to

Finding Fraud – Some methods

- Public and Whistle blower hotlines
- Robust internal/external audit
- Appropriately trained staff
- Data Analytics & Tools
- Collaborative working

Key issues and mistakes

- Failing to understand or acknowledge the problem
- Inadequate risk measurement or management
- Failure to adequately investigate or inaction
- Inadequately trained staff
- Failure to work collaboratively
- Over investigation

Counter Fraud Best Practice

Two examples of best practice for counter fraud in the public sector.

- A Guide to Managing Fraud for Public Bodies (International Public Sector Fraud Forum) February 2019
- Fighting Fraud and Corruption Locally Strategy 2020 - A response to economic crime and fraud

Key themes:

- Acknowledge – There will always be fraud and finding it is a good thing
- Prevent – Prevention is the most effective way to address fraud and corruption
- Pursue – Fraudsters should be punished and losses pursued
- Govern – Robust governance arrangements and executive support
- Protect – Protect against organised and serious crime and the harm that fraud can do

Counter Fraud Best Practice – FFCL Strategy 2020



What can we do?

- Create an anti fraud culture with executive support
- Implement an appropriate counter fraud strategy
- Recruit experienced and trained counter fraud staff
- Introduce a programme of staff training across the organisation
- Review policies, procedures and systems to improve prevention
- Communicate the strategy, policies and counter fraud commitments across the organisation
- Collaborate internally and externally, with stakeholder and partner organisations
- Implement and use tools designed to prevent and detect fraud
- Self assess to ensure implementation/action against objectives
- Seek independent self assessment for providing assurance to leaders and committees

Thank you



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