



# HM TREASURY

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DAO(GEN)05/08

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4 November 2008

Dear Accounting Officer

## **FRAUD IN GOVERNMENT DEPARTMENTS 2008**

**This DAO letter alerts readers to the latest report on fraud detected within central government departments in 2007-08.**

### **Action**

2. Please draw the report to the attention of all those who deal with public money, both in departments and in arm's length bodies. The full report is at <http://www.hm-treasury.gov.uk/fraud.htm>

### **Contacts**

3. If you have questions about the report, please contact Richard Fennelly on 020 7270 5792 or at [richard.fennelly@hm-treasury.gov.uk](mailto:richard.fennelly@hm-treasury.gov.uk).

### **Coverage**

4. The fraud report draws on information from 761 cases of internal fraud, with total losses of some £4.3m. It analyses information about:

- fraud or theft by or involving members of staff;
- cases of fraud of £20,000 or more that contain valuable lessons for others; and
- fraud of £20,000 or more by contractors or suppliers.

5. The purpose of the report is to give departments and their arm's length bodies insight into practices likely to increase the risk of fraud. This should alert them to potential dangers and help them develop effective anti-fraud measures.



## Key findings

6. The report concludes:
- the total number of cases has fallen significantly over last year's total although the overall value has increased;
  - the main risk areas are:
    - theft of assets (40% of cases by number)
    - payment fraud (69% by value);
  - better asset security, and designing into systems well tried techniques such as segregation of duties and routine management checks, could go a long way to deal with some obvious risks.

## Consequential

7. The following DAO letters are now withdrawn:
- DAO(GEN)05/07 (31 October 2007).



Paula Diggle  
Treasury Officer of Accounts