

# the resilience to fraud of the uk charity sector

research into how well  
uk charities protect themselves

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2010 REPORT



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## // introduction

This Report considers how well the UK Charity Sector protects itself against fraud. It is the most comprehensive report of its type ever undertaken.

Fraud is a problem which undermines the stability and financial health of organisations across the economy. It is not a victimless crime, but one which piles additional costs on us as consumers. It denies us the quality of public services which we pay for as taxpayers, undermines our job security as employees, reduces the value of companies for us as shareholders, and even denies the beneficiaries of charities the full benefit of the donations which we make.

Fraud can be hugely damaging to any organisation, but especially so to charities. Furthermore, fraud in the charity sector (like the healthcare sector) often has the sort of direct, negative impact on human life that is not found elsewhere.

Across the UK economy as a whole, the Government's National Fraud Authority estimates that £38.4 billion is lost, with £1.3 billion of the losses (2.4% of turnover) occurring in the charity sector. This reflects a change over the last decade or so, where it has become possible to measure the financial cost of fraud in a statistically valid and highly accurate manner.

The Report is published at a time when the Government's 'Big Society' plans ascribe a more important role to charities as a conduit for greater popular involvement in the running of key services. Greater public scrutiny will, inevitably, follow, along with higher expectations that losses to fraud are being minimised.

When PKF and the Centre for Counter Fraud Studies at University of Portsmouth considered the extent of fraud resilience in the UK they surveyed 367 organisations from all sectors of the UK economy. This included 83 charities, each of whom responded to 29 questions based on the latest professional standards in this area. By focussing in on these charities, this Report provides an unprecedented insight into the strength of arrangements to protect them against fraud.

The authors of this Report support the development of work, over the last decade, to treat fraud as a business issue like any other — something to be quantified and assessed, with clear metrics showing the speed of progress in reducing its cost and impact. Historically, this has not been the case. Hoping that it will not happen, or at best reacting when it inevitably does, simply does not constitute a viable approach in the 21st Century.

The development of the counter fraud profession (exemplified in the 13,000+ people who now hold Foundation, Advanced, Degree or Masters level Counter Fraud Specialist or Certified Fraud Examiner qualifications in the UK) and of proper professional standards, like any other area of professional life, have made it possible to do much better.

As this research shows, we can now consider where the weaknesses are which allow fraud to take place, and take pre-emptive action to minimise losses. This Report, of which every UK charity should take note, provides a view of the fraud landscape. Being serious about a charitable purpose surely must include ensuring that that purpose is not deprived of funding which is intended for it.

The authors of this Report are committed to research such as this making a real difference. By expanding the extent of knowledge that charities hold about their own arrangements, we can help to ensure better quality decisions are taken. The research has allowed the creation of Europe's most comprehensive database of fraud resilience information concerning charities. At Appendix 2 to the Report, we have highlighted a low cost 'Fraud Resilience Check' benchmarking service for charities who want to know more.

PKF and the Centre for Counter Fraud Studies at the University of Portsmouth will repeat this research regularly and report our findings. We all have a right to know how well protected charities are against the dishonest minority who would defraud them.

**Jim Gee**  
**Director of Counter Fraud Services, PKF (UK) LLP**  
and  
**Chair of the Centre for Counter Fraud Services,**  
**University of Portsmouth**

1 //

# executive summary

# 1 // executive summary

**1.1** This Report is the most extensive and most comprehensive Report yet undertaken into the resilience of UK charities to fraud.

**1.2** 83 charities responded to a survey questionnaire which was widely distributed. They included charities with objectives in the following areas:

- Arts and culture
- Citizens rights
- The environment
- Health
- Housing
- Social protection
- Safety
- Agriculture
- Education
- Poverty relief
- The professions and
- Religion

**1.3** Each organisation answered 29 questions about the effectiveness of their arrangements to counter fraud. These questions covered every aspect of the work :

- Adopting the right **strategy**
- Accurately identifying the risks and costs
- Creating and maintaining a strong **structure**
- Taking **action** to tackle the problem
- Defining success and delivering **results**

**1.4** The Report's **key findings** show that, overall, the charity sector achieved a mean score of 24.2 and median of 25 out of a possible score of 50. This compares with a mean score among public sector organisations of 34.4 and private sector organisations of 30.6.

**1.5** Charity sector organisations performed **best** in the following areas:

- More than 90% stated that they had effective arrangements in place to report fraud and corruption
- 89% stated that they sought to design fraud and corruption out of processes and systems
- 87% stated that they considered the application of all possible sanctions where fraud is found to be present
- 87% stated that they received reports following investigations on identified policy and systems weaknesses
- 84% stated that they included fraud and corruption risks in risk registers

**1.6** However, charity sector organisations performed **worst** in the following areas:

- Only 18% used losses estimates to make judgements about how much to invest in countering fraud
- Only 19% ensured that their counter fraud staff were professionally trained
- Only 20% monitored the development of anti-fraud cultures
- Only 23% reviewed the effectiveness of counter fraud work
- Only 28% had a clear objective of reducing losses to fraud

# 2 // background

## 2 // background

- 2.1 In 2009 the Centre for Counter Fraud Studies (CCFS) published its first report: *The Resilience to Fraud of UK Plc*. This highlighted inherent weaknesses in the strategies and structures in place in the public and private sector to counter fraud. The report was the first of its type and was based upon the latest professional standards for counter fraud work<sup>1</sup>. The authors were able to assess the extent to which these standards were met from a prior survey of many organisations in the public and private sectors. The 2009 research had not been designed to fully encompass all of the relevant professional standards, so only a partial assessment was possible. It also did not cover the voluntary sector.
- 2.2 In 2010 the CCFS and PKF, the top ten accountancy and business services firm, decided to conduct a bespoke survey of the public, private and voluntary sectors fully reflecting relevant standards. The survey included 29 questions which assess the extent to which respondents meet all the standards relevant to effective resilience against fraud.
- 2.3 The overall results represent the most accurate assessment which has ever been undertaken of how well UK Plc is developing strategies and structures to counter fraud and were published in '*The Resilience to fraud of UK Plc*' in February 2011. They depict the relative effectiveness of different types of organisations – the first landscape of counter fraud work in the UK. Comparatively the charity sector was found to have less fraud resilience than the public and private sectors.
- 2.4 This Report focusses in on the charity sector and analyses what the results mean. It builds upon and supports some of the findings of the Fraud Advisory Panel which found in its research on charities, amongst many other weaknesses, only 40 percent of those surveyed had any of the FAP suggested anti-fraud procedures in place<sup>2</sup>. Similar conclusions have also been found for the American not-for-profit sector<sup>3</sup>.
- 2.5 To conduct the research, invitations to participate were sent out which directed respondents to the survey website 'Survey Monkey', to fill in a questionnaire online. Additionally some charities were targeted with paper questionnaires to complete.

<sup>1</sup> The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Managing the Risk of Fraud' guidance which one of the authors of this Report (Jim Gee) jointly wrote.

<sup>2</sup> Fraud Advisory Panel (2009a) *Fraud in the Charitable Sector*. London: FAP; Fraud Advisory Panel (2009b) *Breach of Trust*. London: FAP.

<sup>3</sup> Holtfreter, K. (2008) *Determinants of Fraud Losses in Nonprofit Organizations*. *Nonprofit Management and Leadership*, 19, pp 45-63.



# 3 //

## the nature of the data

## 3 // the nature of the data

- 3.1 The researchers received 83 usable questionnaires from charitable organisations.
- 3.2 Those responding are necessarily self-selecting. It is likely that they represent those charities who are more interested in this area of work and, consequently, who may also have better arrangements in place than is the case generally. Thus this Report probably presents a more optimistic picture of what is happening than is actually the reality. This should be remembered where the answers to particular questions reveal that professional standards are substantially not being met.
- 3.3 The Report assesses the answers given to 29 questions. In respect of each one, a graph and then a brief analysis of the response is set out. At the end of the question by question analysis an overall assessment has been undertaken. An approach is used where each of the 29 answers has been weighted. The allocation of points has been determined on the basis of the relative importance of each aspect of counter fraud work.

4 //

# detailed analysis

## 4 // detailed analysis

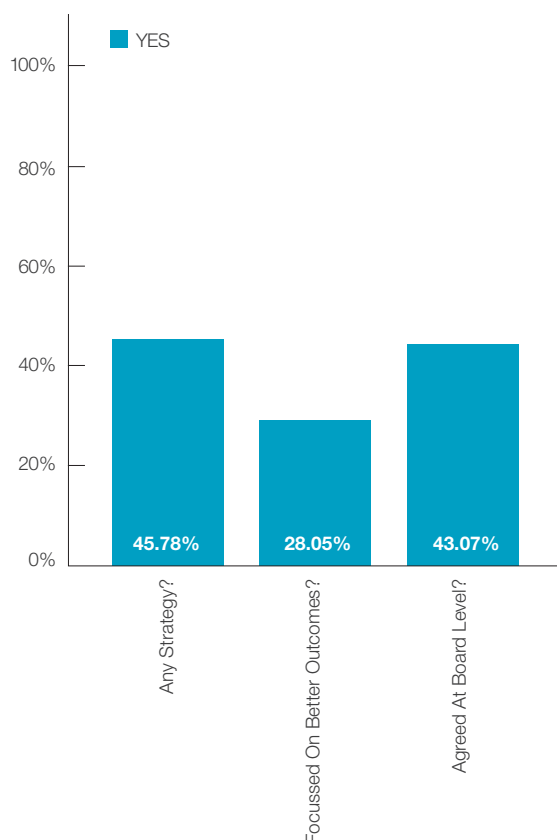
**4.1** This section of the Report looks at each aspect of resilience to fraud and the nature of the response from the charities which were surveyed. It looks at the answers to the 29 questions in the survey, broken down into five key areas:

- Adopting the right strategy
- Accurately identifying the risks and costs
- Creating and maintaining a strong structure
- Taking action to tackle the problem
- Defining success and delivering results

**4.2** It then looks at the overall picture and considers what this means.

### Adopting the right strategy

#### Adopting the right Strategy



**4.3 Question 1 - Does the organisation have a written counter fraud and corruption strategy?**

**4.4** The starting point for any sound attempt to minimise the risk of fraud is to have a strategy to counter it. However, only 45.78% of charities answered Yes to this question. Given the likely expansion of the charity sector undertaking previously public sector functions, this does raise some potential concerns about the safety of public funds, something which some of the following questions will illustrate further.

**4.5 Question 2 - Does the strategy have a clear objective of better outcomes (i.e. reduced losses to fraud) and not just activity (i.e. the number of investigations, prosecutions, etc.)?**

**4.6** Only just over a quarter of charities (28.05%) indicated that they pursued a strategic approach to achieve better outcomes. Having clear intended outcomes and not just seeking to generate activity is very important. Mere activity represents a cost which a charity has to bear, while activity directed to achieve beneficial outcomes (for example, a reduction in fraud losses and the consequent financial benefits) can represent an investment in a much greater return.

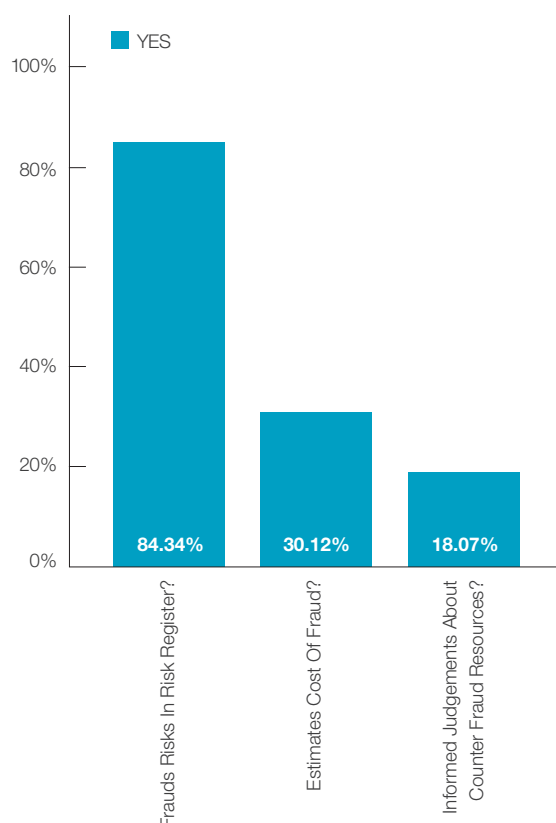
**4.7 Question 3 - Has the strategy been directly agreed by those with executive authority for the organisation?**

**4.8** Only 43.07% of charities indicated that any strategy to counter fraud had not been agreed at the most senior executive levels. This compares dramatically with public sector organisations where the comparable figure was over 90%. It is very important for senior Directors with executive authority to have bought into the strategy and to understand the real difference that effective counter fraud work can make.

## 4 // detailed analysis

### Accurately identifying the risks and costs

#### Accurately identifying risks and costs



#### 4.9 Question 4 - Are fraud and corruption risks included in the organisation's Risk Register (or equivalent)?

4.10 Some good news - 84.34% of charities indicated that they included fraud and corruption risks in their charity's risk register, a better figure than that achieved in the public sector. It is important that charities understand the financial and reputational risk that fraud and corruption represent; that they record this systematically and thus can consider how to mitigate such risks.

#### 4.11 Question 5 - Does the organisation seek to estimate the total economic cost of fraud to it?

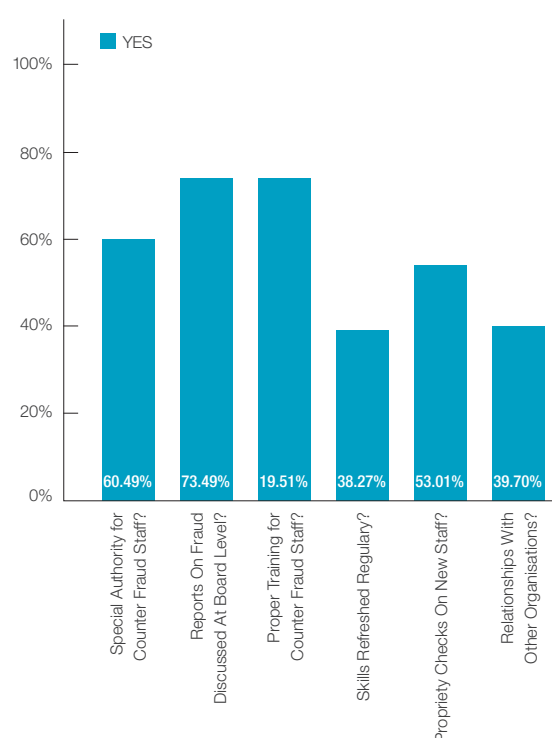
4.12 Despite the high proportion of charities recording fraud as a risk, only 30.12% of charities indicated that they then sought to estimate the true cost of fraud to them. This is important in developing a proportionate, properly resourced strategy to counter it. There is therefore much more scope for the charity sector to improve by seeking to accurately measure the cost of fraud. After all, if you do not know the nature and scale of the problem, how can you implement the right solution?

#### 4.13 Question 6 - Does the organisation use estimates of losses to make informed judgements about levels of budgetary investment in its work countering fraud and corruption?

4.14 An even lower proportion - 18.07% - of charities used such estimates to make an informed judgement about how much to spend on countering fraud. This implies that the driver to do something to counter fraud is currently reputational, and regulatory rather than financial, considering the financial benefits to be derived in this area.

### Creating and maintaining a strong structure

#### A strong counter fraud structure



#### 4.15 Question 7 - Do those tasked with countering fraud and corruption have any special authority to pursue their remit effectively?

4.16 60.49% of charities indicated that their staff working in this area did have some special authority to do so. Fraud is a difficult issue and can sometimes involve those in positions of relative power within organisations. This means that, to effectively counter it, it can be important to have a degree of special authority.

## 4 // detailed analysis

### 4.17 **Question 8 - Are reports about work to counter fraud and corruption discussed at Board level?**

4.18 73.49% of charities indicated that they did discuss these issues at Board-level, which is a figure which is generally comparable with public and private sector organisations. Board-level discussions about fraud can be an indicator of how seriously an organisation takes this problem. However, the fact that just over 26% of charities did not do this is worrying. Fraud is present (hidden or apparent) in any organisation of a reasonable size. It is also clearly preferable for such discussions to anticipate (and thus seek to pre-empt) such problems than for them to occur in reaction once a significant fraud has happened.

### 4.19 **Question 9 - Have all those working to counter fraud and corruption received the specialist professional training and accreditation for their role?**

4.20 Less than a fifth of responding charities (19.51%) indicated that they had professionally trained staff to counter fraud. This question enabled a broad range of courses to be considered as professional training and accreditation, so the figure is particularly disappointing. There are a wide variety of professional training courses available to enhance the professionalism of counter fraud staff. In the authors view, the best is the Accredited Counter Fraud Specialist (ACFS) qualification, which is comprehensive, properly assessed and tested and linked to subsequent Diploma, Degree and Masters qualifications. Professional training provides greater assurance about the quality of the work undertaken and there is clearly much to be done in this respect.

### 4.21 **Question 10 - Do those working in counter fraud and corruption regularly update and refresh their skills?**

4.22 Less than 20% of charities had professionally trained staff (see above) but almost double that (38.27%) did at least refresh their skills in this area. This suggests that in the charity sector, professional development for counter fraud staff is probably more focused upon short training courses, rather than specialist professional training and education which is accredited.

### 4.23 **Question 11 - Are checks undertaken on the propriety of new staff (beyond simply reference checks)?**

4.24 Only 53.01% of charities indicated that they checked the propriety of new staff, beyond reference checks). It is important to screen prospective staff, to ensure that they meet high standards of propriety and that those with a history of dishonesty or deception are not employed in positions where this would make them a risk. There are now professional standards for the 'propriety checks' process. The action taken includes assessing CVs for accuracy, checking references, and undertaking various financial and legal checks.

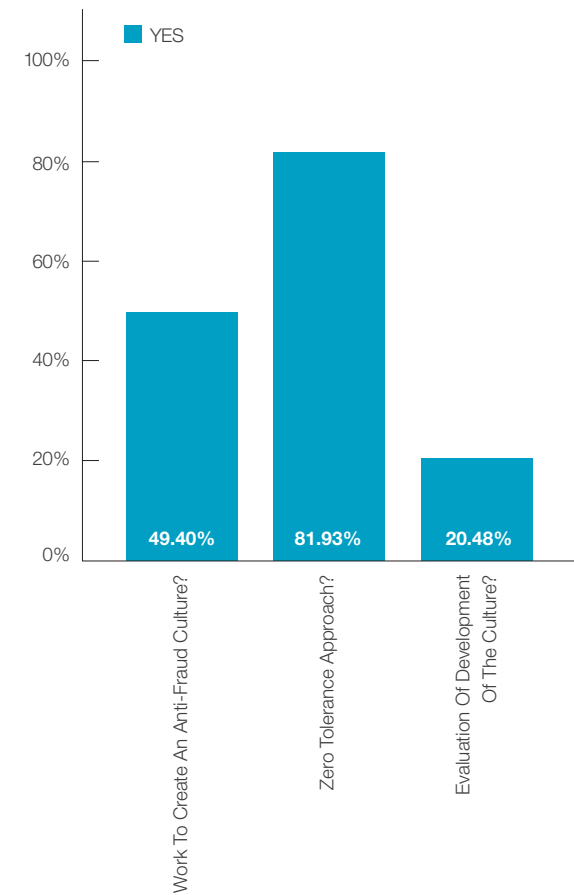
### 4.25 **Question 12 - Are there formal and informal relationships in place with relevant external agencies or organisations (e.g. the police, specialist legal firms who advise on civil litigation?)**

4.26 In terms of having in place the relationships with other agencies and organisations which might be needed, if a substantial fraud occurs, the survey indicated that 39.7% of charities had formal links and 66.2% had informal ones. Fraud is potentially both a crime and a civil legal issue and it is important to develop relations with bodies which can enhance the effectiveness of those countering fraud. Ideally these should be on a formal basis, but could also be informal.

4 // detailed analysis

Taking action to tackle the problem

Developing an anti-fraud culture



4.27 **Question 13 - Does the organisation have a clear programme of work attempting to create a real antifraud and corruption culture?**

4.28 49.4% of charities indicated that they had a clear programme of work to create an anti-fraud culture. Pre-empting fraud is very important and developing an anti-fraud culture (growing the size of and mobilising the honest majority) is central to achieving that.

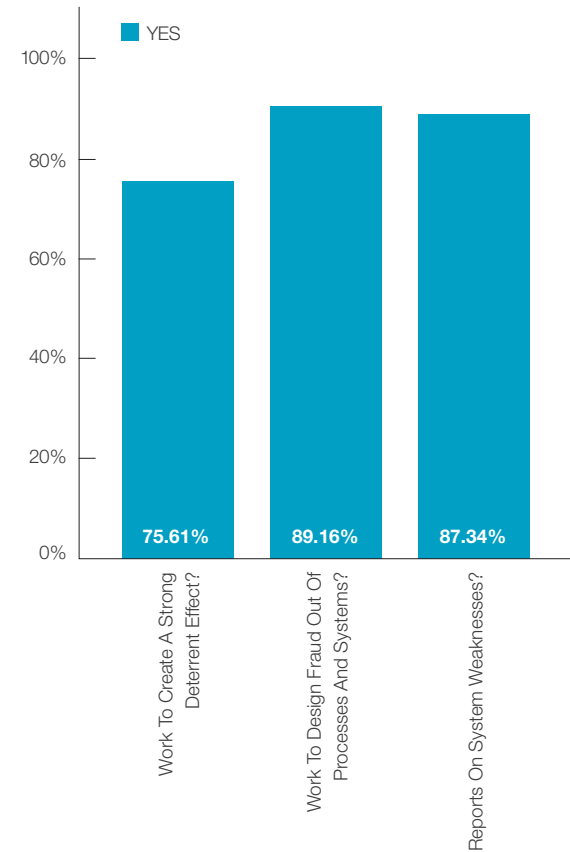
4.29 **Question 14 - Has the organisation made clear that it has a zero tolerance approach to fraud and corruption?**

4.30 81.93% of charities indicated that they had made it clear that their organisations had a 'zero tolerance' approach to fraud and corruption. Making it clear that fraud is not tolerated is important, as long as this does not accompany a view that fraud can be reduced to 'zero'. Given the nature of the problem this is unrealistic – it can be reduced to an absolute minimum (at present found to be just under 1%).

4.31 **Question 15 - Are there arrangements in place to evaluate the extent to which a real antifraud and corruption culture exists or is developing throughout the organisation?**

4.32 Despite almost 50% of charities implementing a clear programme of work to develop an anti-fraud culture only 20.48% indicated, in response to this question, that they evaluated the growth of that culture in their organisation. It is important to evaluate the development of the anti-fraud culture to determine if work to achieve this effect is being successful.

Deterrence and prevention



## 4 // detailed analysis

### 4.33 Questions 16 - Does the organisation attempt to create a strong deterrent effect?

4.34 More than two-thirds of charities (75.61%) indicated that they did seek to create a strong deterrent effect. Of course, if fraud can be deterred then it does not need to be detected or investigated. However, Question 17 addressed the question of what is actually done.

### 4.35 Question 17 - Does the organisation seek to publicise...

4.36 Deterrence has been shown to arise from potential fraudsters' perceptions about the risks they face. This is not just the risk of a potential heavy sanction (if the chance of detection and effective investigation is minimal then this is unlikely to be a consideration). There are several different issues which affect these perceptions. This question evaluates the extent to which different sectors understand and seek to highlight these issues. The answers to Question 17 were as follows:

- 48.8% of charities indicated that they sought to publicise the hostility of the honest majority to fraud and corruption
- 55.6% sought to publicise the effectiveness of preventative arrangements
- 29.6% sought to publicise the sophistication of arrangements to detect fraud (possibly because the arrangements were not that sophisticated – see later questions))
- 34.1% sought to publicise the effectiveness of those who would investigate fraud (this probably reflects the answers to Question 9 about professional training and accreditation)
- 57.3% sought to publicise the likelihood of sanctions being applied which was the highest percentage answer
- 40.2% sought to publicise the likelihood of losses being recovered

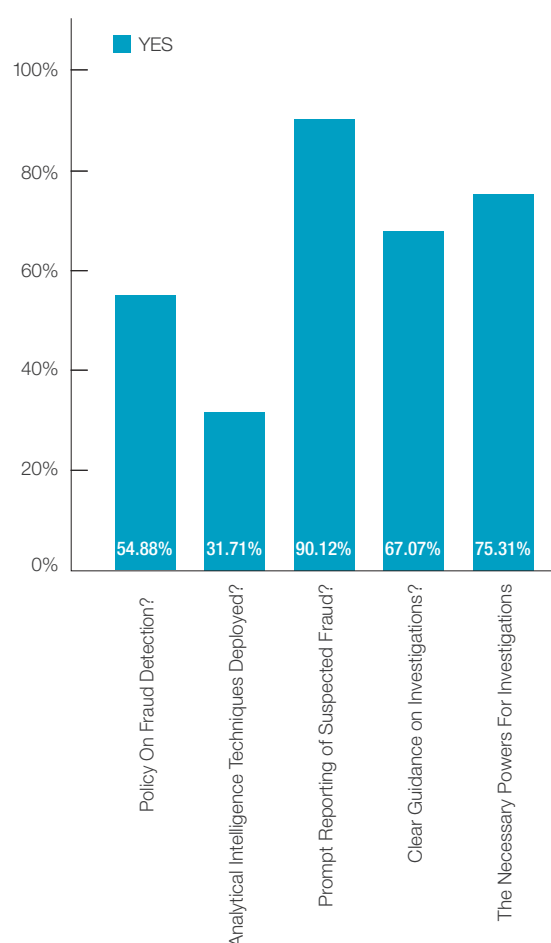
### 4.37 Question 18 - Does the organisation seek to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses?

4.38 Another aspect of pre-empting fraud is work to design weaknesses out of processes and systems which might otherwise have allowed fraud to take place. 89.16% of charities indicated that they did this, which was one of the best responses to these questions and compared with 81% in the private sector.

### 4.39 Question 19 - Where an investigation into fraud takes place do reports cover identified policy and systems weaknesses?

4.40 Learning from failure is an important element of any strategy. Formally building this into fraud investigations is therefore essential. 87.34% of charities indicated that they did this, however, this compared with almost 96 percent of public sector organisations.

#### Detection and prevention





## 4 // detailed analysis

### 4.41 **Question 20 - Does the organisation have a formal or informal policy setting out how it tries to detect possible fraud?**

4.42 54.88% of respondent charities indicated that they proactively sought to detect fraud – rather than waiting for it to happen and then reacting to it. This approach helps to shorten the length of time that a fraud continues and to reduce the related losses.

### 4.43 **Question 21 - Are analytical intelligence techniques used to examine data and identify potential fraud and corruption?**

4.44 Only 31.71% of charities indicated that they analytical intelligence techniques to find possible fraud. Nearly 70 percent of private sector organisations invested in products with this capability and is clearly an area for improvement. Perceived barriers include the costs involved, however the view of the authors of this Report is that it is possible to undertake such work cost-effectively.

### 4.45 **Question 22 - Are there arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the appropriate person for further investigation?**

4.46 90.12% Once a fraud is discovered it is vital it is quickly investigated. All three sectors had over 90 percent of respondent organisations doing this, and in the public sector it was 98 percent.

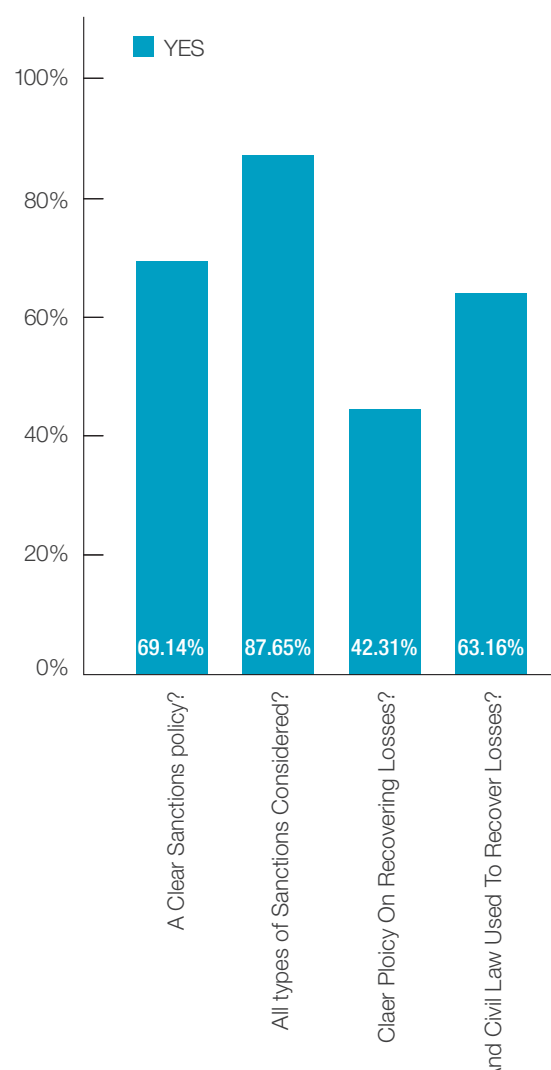
### 4.47 **Question 23 - Is the organisation's investigation work carried out in accordance with clear guidance?**

4.48 Once reported, then a prompt investigation conforming to professional standards and legal requirements should proceed. 67.07% indicated that they had clear guidance about how this should happen. Investigating fraud can be complex and it is necessary to comply with various legal requirements. Some risks are posed which can lead to the potential failure of the investigation. Having clear guidance in place on how an investigation should be undertaken is essential, and it is worrying that over 30% of charities did not.

### 4.49 **Question 24 - Do those undertaking investigations have the necessary powers, both in law, where necessary, and within the organisation?**

4.50 This is a difficult job and it is important to have the necessary powers to be effective. 75.31% of charities indicated that their investigators had the necessary powers.

### Sanctions and redress



### 4.51 **Question 25 - Does the organisation have a clear and consistent policy on the application of sanctions where fraud or corruption is proven to be present?**

4.52 Applying proportionate sanctions consistently and effectively to those who are found to have undertaken fraud, is another important element of a resilient approach. 69.14% of charities indicated that they had such a policy in place.

## 4 // detailed analysis

### 4.53 **Question 26 - Are all possible sanctions – disciplinary/regulatory, civil and criminal – considered?**

4.54 87.65% in the charity sector answered Yes to this question. However, if we had asked 'regularly used' rather than 'considered' we suspect the results may have been very different. It is very easy to 'consider' applying sanctions, but actually seeking to do so is a different matter.

### 4.55 **Question 27 - Does the organisation have a clear policy on the recovery of losses incurred to fraud and corruption?**

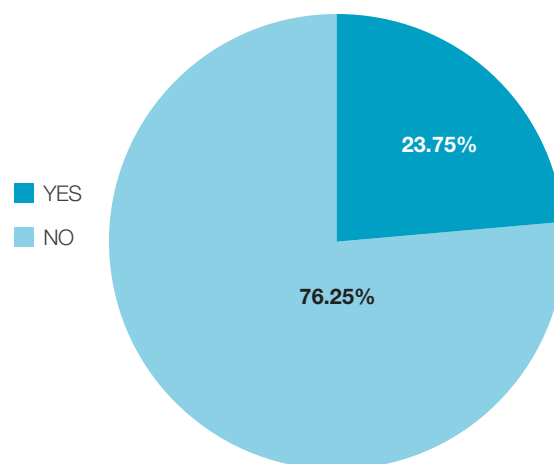
4.56 In addition to applying sanctions, recovering losses is also very important. After all, the most pernicious aspect of fraud is that it diverts resources from where they are intended. In the charity sector this impact is probably more severe than elsewhere so it is therefore surprising and disappointing that such a low proportion of charities (42.31%) had such policies.

### 4.57 **Question 28 - Does the organisation use the criminal and civil law to the full in recovering losses?**

4.58 The criminal law concerning fraud is primarily intended to be used to punish individual fraudsters while the civil law is used to recover losses. The most effective organisations benefit from combining both in parallel. 63.16% of charities answered Yes to this question.

## Defining success and delivering results

### Performance management of counter fraud work



### 4.59 **Question 29 - Does the organisation regularly review the effectiveness of its counter fraud work against agreed performance indicators?**

4.60 Reviewing and measuring the effectiveness of counter fraud work is also important. Therefore developing performance indicators and considering if they have been met is important. Many organisations across all sectors were not good at this. However, in the charity sector only 23.75% indicated that they did performance manage counter fraud work, which is disappointing.

# 5 //

## overall analysis

## 5 // overall analysis

- 5.1 The answers to the questions which have been reviewed above were weighted by the authors of this Report to allow comparisons across the different sectors. This was done by applying professional judgement derived from many years specialist experience of both undertaking and studying such work.
- 5.2 The process is inevitably, to some extent, subjective but the alternative of not weighting answers is worse and would have ignored the different relative importance of individual aspects of work to counter fraud. The weightings are listed in Appendix 1.
- 5.3 Overall, the charity sector achieved a mean score of **24.2** and median of 25 out of a possible score of 50. The range of scores among the 83 charities who responded to the survey was from 4 to 41.
- 5.4 The standard deviation – which measures the spread of scores around the mean score – showed a variation in performance of 9.2 in the charity sector.

**Table 2 - Mean and median points**

Sector	Number	Mean	Median	Minimum	Maximum	St Dev
Voluntary	83	24.2	25	4	41	9.2

### In which areas did the charity sector perform best?

- 5.5 Charity sector organisations performed **best** in the following areas:
- Effective arrangements to report fraud and corruption
  - Seeking to design fraud and corruption out of processes and systems
  - Considering the application of all possible sanctions where fraud is found to be present
  - Having reports following investigations on identified policy and systems weaknesses
  - Including fraud and corruption risks in risk registers

### In which areas did the charity sector perform worst?

- 5.6 Charity sector organisations performed **worst** in the following areas:
- Using losses estimates to make judgements about how much to invest in countering fraud
  - Ensuring counter fraud staff are professionally trained
  - Monitoring the development of anti-fraud cultures
  - Reviewing the effectiveness of counter fraud work
  - Having a clear objective of reducing losses to fraud

# 6 //

## conclusion

## 6 // conclusion

- 6.1 This Report provides new information which was not previously available about where charities are well or badly protected against fraud. No individual organisations are identified but the analysis does provide a 'map' of the charity fraud landscape and should inform the work of responsible organisations.
- 6.2 It shows that there is still much progress to be made as we seek to make the UK's charities properly protected against fraud and able to devote the greatest possible proportion of their resources to their intended charitable purpose.
- 6.3 In the view of the authors of this Report, this should contribute to an Agenda for further progress in the years to come.

# appendix 1

## weightings

## appendix 1 // weightings

The following weightings were applied, as described above :

Question number	Weighting
1	3
2	1
3	2
4	2
5	1
6	1
7	3
8	1
9	3
10	1
11	1
12	3
13	2
14	1
15	1
16	2
17	0.5 each up to a maximum of 3
18	2
19	1
20	2
21	1
22	1
23	1
24	1
25	2
26	1
27	2
28	1
29	3



# how resilient is your charity to fraud?



**Fraud is a problem which undermines the stability and financial health of organisations from across the economy. It is not a victimless crime, but one which piles additional costs on us as consumers, denies us the quality of public services which we pay for as taxpayers, undermines our job security as employees, reduces the value of companies for us as shareholders and, even denies the beneficiaries of charities the full benefit of the donations which we make.**

Global research shows that fraud costs organisations an average of 4.6% of expenditure but also that this figure varies considerably according to how resilient to fraud they are.

PKF (UK) LLP and the Centre for Counter Fraud Studies (CCFS) at University of Portsmouth have jointly undertaken the most extensive and most comprehensive research yet in this area and now have Europe's largest fraud resilience database with information from charity, as well as public and private sector organisations.

by combining specialist  
experience and academic rigour...

PKF and the CCFS represent a unique combination of specialist hands on experience and academic knowledge and rigour. Together we can offer a confidential Fraud Resilience Check service which can benchmark client organisations against both best practice and their peers. This is a low cost service which reviews counter fraud arrangements against 29 measures of resilience derived from the best professional standards. It results in

the provision of a clear and concise Report detailing our findings. The check covers

- the extent to which an organisation understands the nature and cost of fraud to it as a business **problem**;
- the extent to which it has an effective **strategy** in place which is tailored to address this problem;
- the extent to which organisations maintain a counter fraud **structure** which can implement this strategy successfully;
- the extent to which the structure efficiently undertakes a range of pre-emptive and reactive **action**;  
and
- the extent to which **results** are properly measured, identified and delivered.

...we can provide the answers

We let the data speak for itself to identify weaknesses in counter fraud arrangements and then make recommendations for improvements, based on a wealth of experience drawn from more than 30 countries around the world.

find out more

**The Fraud Resilience Check service costs just £3,950 plus VAT. We provide a comprehensive Report covering 29 measures of fraud resilience and clear recommendations for improvement. This is delivered to clients within 2 weeks of being engaged.**

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or email **[jim.gee@uk.pkf.com](mailto:jim.gee@uk.pkf.com)**

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## // about the authors

**Jim Gee** is Director of Counter Fraud Services at PKF (UK) LLP, the top ten accountancy and business services firm and Chair of the Centre for Counter Fraud Studies at University of Portsmouth.

During more than 25 years as a counter fraud specialist, he led the team which cleaned up one of the most corrupt local authorities in the UK - London Borough of Lambeth - in the late 1990s; he advised the House of Commons Social Security Select Committee on fraud and Rt. Hon. Frank Field M.P. during his time as Minister of State for Welfare Reform; between 1998 and 2006 he was Director of Counter Fraud Services for the Department of Health and CEO of the NHS Counter Fraud Service, achieving reductions in losses of up to 60% and financial benefits equivalent to a 12 : 1 return on the costs of the work..

Between 2004 and 2006 he was the founding Director-General of the European Healthcare Fraud and Corruption Network; and he has since worked as a senior advisor to the UK Attorney-General on the UK Government's Fraud Review as well as delivering counter fraud and regulatory services to public bodies and private companies both in this country and internationally. He has worked with organisations from more than 30 countries to counter fraud and is currently working with the EU – China Social Security Reform Cooperation Project to advise the Chinese Government about how to measure, pre-empt and reduce the financial cost of fraud.

**Dr Mark Button** is a Reader at University of Portsmouth and Director of the Centre for Counter Fraud Studies.

Mark Button is a Reader in Criminology and Associate Head Curriculum at the Institute of Criminal Justice Studies, University of Portsmouth. He has also recently founded the Centre for Counter Fraud Studies of which he is Director.

He has written extensively on counter fraud and private policing issues, publishing many articles, chapters and completing four books with one forthcoming: Private Security (published by Perpetuity Press and co-authored with the Rt. Hon. Bruce George MP), Private Policing (published by Willan), Security Officers and Policing (Published by Ashgate), Doing Security (Published by Palgrave), and Understanding Fraud: Issues in White Collar Crime (to be published by Palgrave in early 2010 and co-authored). He is also a Director of the Security Institute, and Chairs its Academic Board, and a member of the editorial advisory board of 'Security Journal'.

Mark founded the BSc (Hons) in Risk and Security Management, the BSc (Hons) in Counter Fraud and Criminal Justice Studies and the MSc in Counter Fraud and Counter Corruption Studies at Portsmouth University and is Head of Secretariat of the Counter Fraud Professional Accreditation Board (CFPAB). Before joining the University of Portsmouth he worked as a Research Assistant to the Rt. Hon. Bruce George MP specialising in policing, security and home affairs issues.

He completed his undergraduate studies at the University of Exeter, his Masters at the University of Warwick and his Doctorate at the London School of Economics. Mark has recently been working on a research project funded by the National Fraud Authority and ACPO looking at victims of fraud.

**Dr Ian R. Cook** is a University Teacher at the School of Environmental Sciences, University of Liverpool

Ian Cook has an interest in crime, governance and urban development. He was awarded a PhD at the University of Manchester in 2008. His PhD research critically considered the emergence and development of Business Improvement Districts in the UK. Ian also worked as a Research Associate at the Centre for Counter Fraud Studies between 2009 and 2010.

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### The Centre for Counter Fraud Studies at University of Portsmouth

The University of Portsmouth's Centre for Counter Fraud Studies (CCFS) was founded in June 2009 and is one of the specialist research centres in the University's Institute of Criminal Justice Studies. It was founded to establish better understanding of fraud and how to combat it through rigorous research. The Institute of Criminal Justice Studies is home to researchers from a wide cross-section of disciplines and provides a clear focus for research, knowledge transfer and educational provision to the counter fraud community.

The Centre for Counter Fraud Studies makes its independent research findings available to support those working in counter fraud by providing the latest and best information on the effectiveness of counter fraud strategies.

[www.port.ac.uk/departments/academic/icjs/CentreforCounterFraudStudies](http://www.port.ac.uk/departments/academic/icjs/CentreforCounterFraudStudies)

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