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THE PRIME MINISTER

12 September 2011

David Cameron

Thank you for your letter of 18 July enclosing the Transparency International UK Report on Corruption. I am grateful to you for drawing the Report's findings to my attention. Of course, I am concerned that it reflects a view that corruption is a growing threat but I do not accept that there is any complacency or a lack of a coherent approach for dealing with the issue.

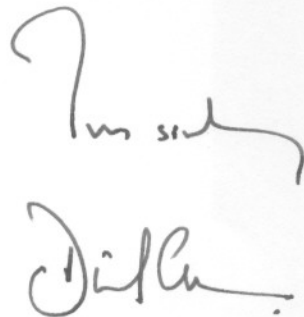
The Government takes seriously any allegation of corruption. I expect Ministers, civil servants and political advisors to abide by the law and conduct Government business in accordance with standards set out in The Ministerial Code, Civil Servants Code and Code for Special Advisors.

We have also put transparency at the centre of what we do. We have an ambitious programme of work to make the public sector more transparent and accountable so as to strengthen the public's trust in Government.

I do not accept that reining in of Government expenditure could possibly increase corruption: rather the opposite. Not only do we now publish all central Government transactions over £500 for the very first time but we have also recognised the huge cost to the taxpayer of fraud and are doing something about it. The National Fraud Authority estimates that £21 billion is lost to fraud in the public sector each year. Of this, £15 billion is due to fraud in the tax system, £1.5 billion in the benefits system, £2.6 in Central Government and £2.1 in local Government. The Government's Counter Fraud Taskforce, chaired by Francis Maude, is overseeing a programme of work to tackle the estimated £21 billion lost to fraud in the public sector each year. It has already delivered £12 million in savings, by undertaking pilots using innovative technology to prevent and detect fraud. These pilots are expected to save £1.5 billion over the next four years. The National Fraud Authority has also been working with Council Chief Executives, Finance Directors and professional bodies to develop a local Government fraud strategy.

I welcome the work of Transparency International in investigating corruption, both in the UK and internationally. You will know that I appointed Ken Clarke as the UK Government's International Anti-Corruption Champion in June last year in order to coordinate Government efforts. His role is to ensure effective implementation of the Bribery Act 2011 so that international corruption does not blight the UK's economic performance. Whitehall Departments and enforcement agencies share information through a number of cross-departmental groups on anti-corruption and organised crime. I consider that this demonstrates that we have in place a coherent approach to tackling corruption drawing upon a range of expertise and experience.

My impression is that we are not - in respect of any international comparison - doing badly in maintaining our reputation as a country with robust and trusted safeguards against wrongdoing and abuse.

Handwritten signature of David Cameron, consisting of two lines of cursive script.

Mr Chandrashekhar Krishnan