

# **AUDIT & GOVERNANCE COMMITTEE**

**16 July 2025**

## **COUNTER FRAUD PLAN & UPDATE**

**Report by Executive Director of Resources & Section 151 Officer**

### **RECOMMENDATION**

The Committee is **RECOMMENDED** to:

- a) **Note the summary of activity against the Counter Fraud Plan for 2024/25**
- b) **Approve the Counter Fraud Plan for 2025/26**

### **Executive Summary**

- 1. This report presents an overview of activity against the Counter Fraud Plan for 2024/25, which was previously presented to the July 2024 Audit & Governance committee meeting.
- 2. The report also presents the Counter Fraud Plan for the coming year 2025/26.
- 3. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

### **Background**

- 4. The Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally was launched in 2020. The Council's counter fraud arrangements are focussed on their recommended five pillars of activity:
  - **Govern:** Having robust arrangements in place to ensure counter-fraud, bribery and corruption measures are embedded throughout the organisation.
  - **Acknowledge:** Understand fraud risk and maintain a robust anti-fraud response.
  - **Prevent:** Prevent and detect fraud taking place against the organisation.
  - **Pursue:** Carry out fraud investigations, apply sanctions to offenders and recover losses.
  - **Protect:** The overarching aim of protecting public funds from fraud and corruption.

5. The International Public Sector Fraud Forum has established five principles for public sector fraud:

The Forum has established 5 principles for public sector fraud.



**1. There is always going to be fraud**

It is a fact that some individuals will look to make gains where there is opportunity, and organisations need robust processes in place to prevent, detect and respond to fraud and corruption.

**2. Finding fraud is a good thing**

If you don't find fraud you can't fight it. This requires a change in perspective so the identification of fraud is viewed as a positive and proactive achievement.

**3. There is no one solution**

Addressing fraud needs a holistic response incorporating detection, prevention and redress, underpinned by a strong understanding of risk. It also requires cooperation between organisations under a spirit of collaboration.

**4. Fraud and corruption are ever changing**

Fraud, and counter fraud practices, evolve very quickly and organisations must be agile and change their approach to deal with these evolutions.

**5. Prevention is the most effective way to address fraud and corruption**

Preventing fraud through effective counter fraud practices reduces the loss and reputational damage. It also requires less resources than an approach focused on detection and recovery.

6. The Council has an Anti-Fraud and Corruption Strategy which guides the Council's approach to its fraud response. The Strategy states that "the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to a **zero-tolerance** approach to fraud, corruption and theft."
7. The Counter Fraud Team's purpose is therefore to apply and to promote the zero-tolerance approach to fraud by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventative work to prevent and detect fraud through training, awareness training, data matching and proactive reviews.
8. The Anti-Fraud and Corruption Strategy was last updated in 2023. The Strategy will be reviewed and updated in 2025, again as part of its two-yearly review.

## **Service Vision**

9. The Internal Audit and Counter Fraud teams are managed under one service. The service strives to be an indispensable part of good governance within the organisation. The service has demonstrated with the Internal Audit and Counter Fraud teams working collaboratively as part of one team, that it works more efficiently, adding more value and contributing to an improved control environment for the organisation.
10. The professions of both internal audit and counter fraud are evolving and will undergo major transformation over the coming years driven by new emerging risks, accelerating data and technological advancements, enhancements to professional standards and the need to expand the pipeline of talent, where there is currently a significant national shortage. The service will need to continue to develop and grow and strengthen skills and capabilities to remain relevant and effective. The service will need to harness new technologies and the opportunities that data analytics delivers for improved internal assurance activity and fraud prevention and detection.

## **Service Objectives**

11. The services objectives for the Internal Audit & Counter Fraud teams are:
  - Evaluate and improve the effectiveness of Oxfordshire County Council's governance, risk management and control processes, through delivery of the annual internal audit plan and Chief Internal Auditor's overall annual opinion.
  - Provide advice, insight and added value, consistent with the achievement of the Oxfordshire County Council's strategic priorities and objectives, acting as a strategic advisor to challenge current practice and promote best practice.
  - Protect Oxfordshire County Council's resources by ensuring they are not lost through fraud but are used to deliver services to residents, through delivery of the Anti-Fraud and Corruption Strategy and the agreed annual Counter Fraud plan, including fraud prevention and detection activities and leading the management of fraud investigations
  - Harness new technologies and continue to develop and extend the use of data analytics and the opportunities that it presents to improve internal audit assurance and counter fraud prevention and detection activity.
  - Acknowledging the significant shortfall in internal audit and counter fraud talent nationally, develop the skills and capabilities, within the team, that are needed now and, in the future, through a "grow our own strategy" and continued use of apprentices, offering a strong coaching and enabling culture, actively supporting formal professional development and offering career pathways.

## Counter Fraud Team Update

### 12. Counter Fraud Service Resources Update

- The Counter Fraud Team comprises of a Counter Fraud Team Manager, Senior Counter Fraud Officer, Intelligence & Data Officer and an Assistant Counter Fraud Officer.
- The Intelligence & Data Officer continues to support with the development of a data analytics strategy and improving the use of data analytics across Internal Audit and Counter Fraud assurance activities. Their role continues to develop, working across both the Internal Audit and Counter Fraud activity.
- In agreement with the Director of Law & Governance in 2021, the Counter Fraud Team took on the receipt, log, and triage of whistleblowing referrals for OCC via the Whistleblowing hotline and dedicated email address. This arrangement continues to provide a centralised approach to logging and tracking whistleblowing referrals, with arrangements to report to the Director of Law & Governance working successfully.

### 13. Update against the Counter-Fraud Plan 2024/25

The Counter Fraud Plan for 2024/25, which was previously presented to the July 2024 Audit & Governance Committee has been delivered.

Objective	Actions	Timescale	End of Year 2024/25 Update
<b>Acknowledge:</b> Understand fraud risk and maintain a robust anti-fraud response.	1) Continue development of Council's fraud risk register.	End of quarter 3.	Complete - The Fraud Risk Register was presented to Audit Working Group in March 2025.
<b>Prevent:</b> Prevent and detect fraud taking place against the organisation, using proactive work and data analysis.	2) Fraud alerts to be provided to service areas as necessary.	Ongoing.	Complete for 24/25.
	3) Upload of data for the new NFI 2024/2025 exercise.	End of quarter 3.	The matches are now available, and the match review has commenced.
	4) Review of initial NFI match data once	End of quarter 4.	Initial review of matches complete. Work plan for 25/26 set for completion of detailed match reviews.

	5)	received in Feb 2025. To complete Joint Internal Audit & Counter Fraud proactive reviews into Travel expenses	Included in Internal audit plan 2024/25.	The audit was completed and a final report issued in February 2025.
	6)	To enhance data analytic capability to support potential areas of proactive work.	Ongoing.	Planned work completed for 24/25 – ongoing action for 25/26.
<b>Pursue:</b> Carry out fraud investigations, apply sanctions to offenders and recover losses.	7)	Conduct investigations into suspected fraud and malpractice (this includes participation in joint investigations with other enforcement authorities).	Ongoing.	32 cases of suspected fraud were opened in 2024/25, with 16 investigations closed.
	8)	Continue enforcement activities against Blue Badge fraud and misuse by completing on-street exercises.	3-4 targeted exercises per financial year.	4 exercises were completed in 2024/25.
	9)	Respond to information requests from the Police, other Local Authorities and investigation	Ongoing.	Planned work completed for 24/25 – ongoing action for 25/26.

	bodies such as HMRC.		
<b>Protect:</b> Recognising the harm that fraud can cause in the community.	10) Review and share fraud trends and new threats with relevant service areas.	Ongoing.	The Team disseminated 23 NAFN fraud alerts to relevant service areas in 2024/25.
	11) Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, & Care Quality Commission).	Ongoing.	Complete - two cases were referred to the Gangmasters Authority in 2024/25.

#### 14. Counter Fraud Activity Summary 2024/25

A full summary of activity of the Counter Fraud Team for 2024/25 is included in Annex 1. The purpose of the annual activity summary report is to capture the key outcomes achieved during 2024/25, through delivery of the plan. It includes a summary of investigations that have been investigated and closed, the proactive fraud initiatives delivered by the team for the prevention and detection of fraud and the work completed to strengthen internal controls.

The annual activity summary includes reporting on case figures and the amounts recovered back to the Council where financial restitution has been achieved. The activity summary also includes notable achievements with both criminal and civil prosecutions and joint working with partner organisations.

While there is currently no public sector standard for the calculation of future loss prevented in fraud investigations, the Counter-Fraud Team applies a consistent methodology that is both evidence-based and in line with good practice. Where an investigation identifies and stops a fraudulent activity before Council funds have been disbursed, the full value of the attempted fraud is recorded as the future loss prevented. This reflects the direct loss that was averted through the intervention. Where a fraud has been identified and stopped that was likely to have continued over time, the future loss prevented is estimated by identifying the known value of the fraud over the period that it occurred and then extrapolating that value up to a 12-month period. This approach provides a proportionate estimate of the financial impact that would have occurred had the fraud not been disrupted.

The Counter Fraud team continues to maintain a balanced approach, responding to incidents through investigations and pursuing appropriate actions, while also proactively working to prevent fraud and irregularities, thereby reducing the risk of financial loss to the council before it occurs.

#### 15. **Counter Fraud Plan 2025/26**

The Counter Fraud Plan for 2025/26 is included in Annex 2. The plan continues to be focused on the recommended five pillars of activity from the Local Government Counter Fraud and Corruption Strategy. (para 5 above). The Counter Fraud team will report on progress against delivery of the plan at the November 2025 and March 2026 Audit & Governance Committee meetings.

#### 16. **Case Figures 2025/26**

These are the case figures as at mid-June 2025 and include 3 new cases received so far in 2025/26.

Indicator	Value
New Cases 2025/26 (April – May 2025)	3 cases
Current open cases (by year)	2025/26: 3 2024/25: 16 2023/24: 2  3 open cases under joint investigation with the police
New Cases by type	Contractor: 1 Blue Badge Misuse: 1 Financial Abuse (Adult Social Care): 1
New Cases by referral source	Employee / Internal Control: 3

#### 17. **National Fraud Initiative Update (NFI):**

The 2024/25 exercise commenced in October 2024, with the extraction and upload of 7 datasets across 5 areas of the Council: Concessionary Travel Passes, Creditors, Parking Permits, Payroll and Pensions. The majority of the matches became available in January 2025. Supplemental releases of data matches have continued to be released by the NFI, most recently in April 2025.

The 'Payroll to Payroll' matches have been reviewed in full. These matches identified employees of Oxfordshire County Council who were also listed on the payroll of another public sector organisation in September 2024. Of 39 potential matches, for 34, there were no instances of multiple employment fraud/irregularity found. For 5 of the 34, they resulted in a secondary employment declaration being completed with the

employee's line manager, in accordance with the Council's Declaring and Registering Interests Policy. The remaining 5 matches remain under investigation.

The 'Pensions to DWP Deceased' and 'Deferred Pensions to DWP Deceased' matches have also been reviewed in full:

For 96 of the 207 pensioners who had been identified as deceased in the 'Pensions to DWP Deceased' report, there was an overpayment of the pension following their death. However, only 5 of these deaths (2%) were unknown to the Pension Service, due to the use of a monthly mortality screening service. This means that while the overall financial saving from the NFI exercise will be reduced, the total sum requiring recovery is lower due to earlier overall detection. The total overpayment from the 5 matches was £2,297.55. £1,444.95 from 3 matches (63%) has been fully recovered, with the recovery process for the remaining 2 still underway.

Of the 57 matches in the 'Deferred Pensions to DWP Deceased' report, 23 deaths were already known to the Council, and 3 deaths were previously unknown. 31 remain open and under review. These matches have enabled the Pensions Team to proactively contact the next of kin and ensure that entitlements are appropriately managed.

Reviews of the remaining NFI reports are underway, with an update to follow in the next Counter Fraud update to the November 2025 Audit & Governance Committee.

#### **18. Controls Improvement & Cases to Note:**

Upon the conclusion of each investigation, where applicable, the control environment is reviewed, and a post investigation report issued. The report highlights any weaknesses identified and includes agreed actions to prevent, stop and minimise the risk of reoccurrence. The agreed action plan is monitored for implementation by the Counter Fraud Team.

Since the last update to the March 2025 Audit & Governance Committee, the team have issued one investigation report regarding the use of a Children's Direct Payment.

It was reported to the Audit & Governance Committee in March 2025 that three charges had been made by the Crown Prosecution Service (CPS) against a School Business Manager following an investigation into fraudulent purchasing card transactions and forged cheques from the school bank account. The sentencing hearing took place at Oxford Crown Court on 24<sup>th</sup> April 2025. For the two charges of Fraud by Abuse of Position (Fraud Act 2006), they were sentenced to 16 months imprisonment which was suspended for 18 months. For the charge of Theft (Theft Act 1968), they were sentenced to 8 months imprisonment which was also suspended. The Judge also ordered that they undertake 80 hours of unpaid work and to attend 12 counselling sessions. Additionally, £21,864 has been recovered.

A detailed report of current cases & cases to note was provided to the Audit Working Group at the 26 March 2025 meeting.

## **Financial Implications**

19. There are financial risks associated with fraudulent activity, as well as with the non-recovery or delayed recovery of funds, which can directly impact the Council's financial position. The Counter Fraud Team continues to play a key role in preventing and detecting fraud and financial irregularities and promoting a strong system of governance and internal controls. This report outlines the value of funds recovered and the loss avoidance figures achieved by the team for 2024/25.

Comments checked by: Lorna Baxter, Executive Director of Resources & Section 151 Officer [lorna.baxter@oxfordshire.gov.uk](mailto:lorna.baxter@oxfordshire.gov.uk)

## **Legal Implications**

20. There are no direct legal implications arising from this report.

Comments checked by: Kim Sawyer, Interim Head of Legal and Governance, [kim.sawyer@oxfordshire.gov.uk](mailto:kim.sawyer@oxfordshire.gov.uk)

## **Staff Implications**

21. There are no direct staff implications arising from this report.

## **Equality & Inclusion Implications**

22. There are no direct equality and inclusion implications arising from this report.

## **Sustainability Implications**

23. There are no direct sustainability implications arising from this report.

## **Risk Management**

24. There are no direct risk management implications arising from this report.

**Report by:** Lorna Baxter, Executive Director of Resources & Section 151 Officer

**Annex:** Annex 1: 2024/25 Counter Fraud Activity Summary  
Annex 2: 2025/26 Counter Fraud Plan

**Background papers:** None

**Contact Officers:** Sarah Cox, Chief Internal Auditor,  
[sarah.cox@oxfordshire.gov.uk](mailto:sarah.cox@oxfordshire.gov.uk)

Declan Brolly, Counter Fraud Team Leader,  
[Declan.brolly@oxfordshire.gov.uk](mailto:Declan.brolly@oxfordshire.gov.uk)

**July 2025.**

# ANNEX 1: Counter Fraud Team Activity Summary 2024/25

## 1. Introduction

The Counter Fraud Team is managed with Internal Audit under one service. The Team is responsible for developing and implementing the Anti-Fraud and Corruption Strategy, including fraud prevention, undertaking the investigation into suspected or reported financial irregularities, and pursuing the appropriate sanctions or recovery of funds.

This annual summary captures key outcomes achieved across the year and reflects the completion of the Counter Fraud Plan 2024/25. The outcomes include a summary of investigations investigated and closed within 2024/25, the proactive initiatives delivered for the prevention and detection of fraud, and improvements made to strengthen internal controls.

## 2. Fraud Investigations

### 2.1. 2024/25 Cases Summary

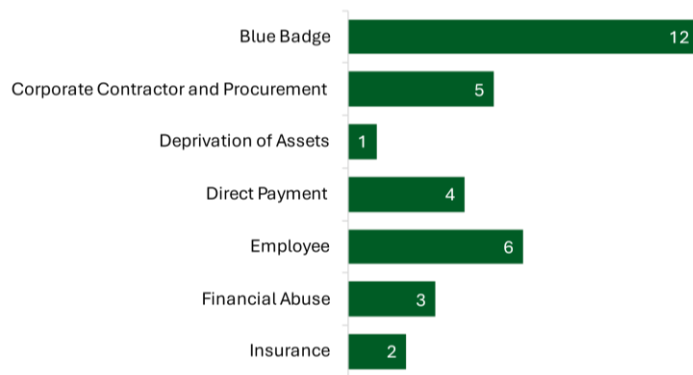


Figure 1: 2024/25 Cases by Fraud Type

The Counter Fraud Team received and logged **32 cases** of suspected fraud/irregularity in 2024/25. A breakdown of the cases by fraud type are displayed in *Figure 1*. 2024/25 saw a **53% increase** in the number of fraud cases reported to the team, compared to the previous year (2023/24).

**25 (78%) of cases** were received through an internal control or internal reporting channel. This is the highest number of cases that the team has received internally in a financial year.

The increase in fraud referrals can be viewed as positive in response to increased fraud awareness and promotion of the Counter Fraud Team internally, detective controls identifying potential issues, and increased fraud proactive work, for example blue badge enforcement days.

**16 cases remain open** and are under investigation. Cases remain open for monitoring while civil action or a criminal prosecution is pending; and the loss, recovery and/or actual savings figures are expected to remain final once the case has been formally closed.

**16 cases have been resolved** with the following outcomes:

- 8 cases of Blue Badge misuse: 3 resulted in a successful criminal prosecution, and 5 resulted in sanctions being applied.
- 1 case of Fraud by Abuse of Position and Theft by a School Business Manager that resulted in a successful criminal prosecution. Additionally, £21,864 was recovered.
- 1 case of alleged fraud by a contractor where a joint investigation by the Counter Fraud Team and another internal team concluded there had been a breach of contract, resulting in the ending of the contract and a clawback of £21,500.
- 1 case of alleged fraud by a contractor where no material loss from fraud was identified, and the investigation was taken forward by a different internal team.
- 1 case of alleged insurance fraud, where recommendations were made to the Insurance Team following an investigation and a final settlement agreed.
- 2 cases of alleged multiple employment fraud closed with no further action, where it was identified that there was no overlapping period of employment between Oxfordshire County Council and the other employers.
- 1 case related to an Adult Social Care Direct Payment where it was determined following an audit being conducted by the Direct Payment Audit Team that the payment was not being misused.
- 1 case of suspected Deprivation of Assets where it was determined following an investigation that the client's savings were below the threshold for paying for their own care, and therefore that the Council had not suffered a loss to fraud.

In addition to conducting fraud investigations, the whistleblowing policy and function is a core responsibility of the Counter Fraud Team. The team plays a pivotal role in ensuring that concerns raised under the whistleblowing framework, particularly those relating to fraud, misuse of public funds, or serious breaches of conduct, are handled confidentially, appropriately, and in line with legal and policy requirements. Working closely with the Monitoring Officer and Legal Services, the Counter Fraud Team helps uphold the Council's commitment to transparency, accountability, and ethical governance.

## 2.2. Cases Involving Police Liaison

3 open cases are currently under joint investigation with the Police. An additional 2 cases that involved joint investigation with the Police were closed in 2024/25, both resulting in financial restitution to the Council.

### 2.3. 2024/25 Resolved Cases

A total of **27 cases** were closed in 2024/25. This includes the 16 cases reported above that were received in 2024/25, and an additional 11 cases that had been received in previous financial years. The outcomes of these cases can be broken down into the following categories:

7

cases that resulted in a successful criminal prosecution, with all 6 also achieving financial restitution.

3

cases that resulted in successful civil action, with financial restitution, a clawback or an actual saving achieved.

6

cases that resulted in a sanction being applied and accepted, including Local Authority Cautions and warning letters.

6

cases where the investigation was taken forward by another internal or external party.

5

where no further action was possible, for example where insufficient evidence prevented the case from reaching the threshold for civil or criminal prosecution.

The total value of the alleged fraud/irregularity for these 27 cases was calculated at **£282,917**. A total of **£203,817** was recovered back to the Council from the 10 cases where financial restitution was achieved. This included one case opened in 2020/21 related to a contractor, where civil action was taken against the company and £64,878 received in full and final payment from the liquidator in 2024/25.

The total future loss prevented from the cases closed has been calculated at **£106,067**. This total includes actual funds that were prevented from being lost to fraud, and where appropriate, an estimate of the additional losses that would have occurred over a 12-month period had the fraud not been detected.

Losses that were identified but not fully recoverable were due to factors such as evidential thresholds not being met or legal limitations preventing formal action or civil recovery. However, whilst full financial restitution was not always achievable, control improvements were identified and addressed for several cases, helping to reduce the risk of recurrence.

The case outcomes have been categorised by the extent to which the cases met the evidential and procedural thresholds for formal action against a suspected fraud. Whilst 5 cases were classified as having no further action within this context, the investigations provided a positive contribution to the Council's resilience against fraud. Specifically, one of the 5 cases resulted in the issuing of an internal investigation report with agreed control improvements.

## 3. Proactive Fraud Prevention and Detection

### 3.1. Blue Badge Enforcement

In 2024/25, the Counter Fraud Team continued to complete blue badge enforcement days across Oxfordshire with the Council's Civil Enforcement Partner. Highlights of the enforcement days include:



**4**

blue badge enforcement exercises completed across Oxfordshire by the Counter Fraud Team

**238**

badges checked in vehicles parked in blue badge bays, to ensure that the badge was valid and being used correctly

**6**

badges seized where evidence of misuse was found on the enforcement day

**3**

cases of blue badge misuse successfully prosecuted resulting in fines totalling £496 and £1,200 awarded to the Council in costs

**17**

Penalty Charge Notices issued by the Council's Civil Enforcement Partner

**4**

cautions issued including three warning letters and one Local Authority Simple Caution

This year saw the team's highest number of successful criminal prosecutions of Blue Badge Misuse, with the prosecution of a case that arose in a 2023/24 enforcement day bringing the total to 4. These 4 prosecutions resulted in fines totalling **£2,072**, of which **£1,200** was awarded in costs to Oxfordshire County Council.

The Counter Fraud Team is currently preparing prosecution files with Legal Services for an additional 4 cases of alleged misuse that were identified in the January 2025 enforcement exercises. A plan for the next blue badge enforcement day is to be developed on completion of these cases.

In addition to securing successful outcomes in court, we also publicise these cases to raise public awareness and reinforce the message that misuse will not be tolerated. This approach serves as a visible deterrent, helping to prevent future abuse and ensuring that Blue Badges remain available for those with genuine need.

### 3.2. National Fraud Initiative

In July 2024, the Counter Fraud Team reported to the Audit & Governance Committee the final results from the previous (February 2023) bi-annual National Fraud initiative (NFI) data matching exercise.

A total saving of **£574,403** was reported (based upon Cabinet Office calculations of estimated savings). This was broken down by the cancellation of 12 pensions from the 'Pensions to DWP Deceased' report (*estimated saving* = £175,974); the cancellation of 511 Blue Badges (*estimated saving* = £331,500); and the cancellation of 2,159 Concessionary Travel Passes (*estimated saving* = £66,929). There were also 7 Pensions overpayments identified amounting to £49,071 which have either been fully recovered or are in the process of recovery.

### 3.3. Fraud Risk Identification and Assessment

The Economic Crime and Transparency Act 2023 received Royal Assent in October 2023. The Act introduces a new provision that allows for an organisation such as a Local Authority to be held criminally liable if they fail to prevent staff or a connected third party from committing fraud, and the fraud has a benefit to the organisation. This will be linked to the core Fraud Act 2006 offences.

If an organisation can demonstrate that they have reasonable procedures in place to prevent fraud, this can act as a defence. In 2024/25, the Counter Fraud Team worked on the development of the Fraud Risk Register to assess whether these reasonable procedures are in place. This identifies and evaluates both organisation-wide fraud risks, and specific operational fraud risks within service areas.

The register has been designed as a tool for use by both the Internal Audit and Counter Fraud Teams and is subject to monthly review by the Counter Fraud Team. Risks are assessed using a comparative scoring approach in line with the Public Sector Fraud Authority's standards for Fraud Risk Assessment.

### 3.4. Fraud Awareness Activities



Figure 2: Fraud awareness sessions delivered in 2024/25

#### Fraud Awareness Training

Fraud awareness training is routinely delivered to teams across the Council by the Counter Fraud Team. The ongoing programme of training and awareness sessions continued in 2024/25. A total of **7 training sessions** were delivered to groups of staff members and councillors across all four quarters. *Figure 2* shows the training sessions that were delivered per quarter.

Other fraud awareness activities completed include:

#### International Fraud Awareness Week 2024

To mark International Fraud Awareness Week in November 2024, the team prepared an article published on the Council's intranet to promote awareness of the risk of fraud and the presence of the Counter Fraud Team within the Council.

The team also launched a series of posts via an internal communications channel throughout the week, to further raise awareness and encourage engagement by staff.

#### Fraud Alerts

The National Anti-Fraud Network periodically release fraud intelligence alerts, each representing an instance of fraud detected by another public sector body that may also pose a risk to the Council.

In 2024/25, the team disseminated a total of **23 fraud intelligence alerts** to colleagues across service areas within the Council.

### 3.5. Joint Assurance Work with Internal Audit

In 2024/25, Internal Audit and the Counter Fraud Team conducted a joint proactive review into employee travel expenses. The review involved applying whole population data analysis techniques to the data contained within the self-service system, covering two financial years. This analysis led to direct sample testing of mileage claims, which enabled analysis of compliance with internal control processes. Policies and procedures related to travel expenses were also reviewed and considered in relation to the risk of fraud and irregularity.

The targeted sample testing confirmed that the majority of the journeys tested were legitimate, with mileage correctly calculated with exception of issues noted with the incorrect inclusion of commuting mileage in some cases. The audit report contained 6 priority 2 actions, the implementation status of which are being monitored by Internal Audit.

## 4. Control Improvements and Management Actions

Upon the conclusion of each investigation, where applicable, the control environment is reviewed, and a post investigation report issued. The report highlights any weaknesses identified and includes agreed actions to prevent, stop and minimise the risk of reoccurrence. The agreed action plan is monitored for implementation by the Counter Fraud Team.

In 2024/25, the team issued four post investigation controls improvement reports:

Report Reference	Description	Date Issued	Number of Management Actions
1	Improvements to cash handling procedures at public facing offices.	Q1	10
2	Improvements to the financial management processes of a primary school.	Q2	25
3	Interim report on an ongoing investigation into invoicing and contract compliance by a transport provider.	Q4	0
4	Improvements to the way contracts are awarded and managed within the Transport Team.	Q4	19

Of 54 total management actions agreed: **33** have been implemented (**61%**), **19** are not yet due for implementation (**35%**), and **2** have been partially implemented (**4%**).

## ANNEX 2: Counter Fraud Plan 2025/26

Theme	Ref	Action	Timescale
Govern / Acknowledge	1	Publish an updated version of the Council's Anti-Fraud and Corruption Strategy for 2025/26 as part of its two-yearly review.	November 2025
	2	Continue development of the Council's fraud risk register.	Ongoing
	3	Develop a new Initial Fraud Impact Assessment process to enable the assessment of the fraud risks of a new system or process.	December 2025
	4	Complete a self-assessment against the standards published by the Public Sector Fraud Authority. The standards contain basic measures that an organisation should have in place to enable an effective counter-fraud response.	March 2026
	5	Review and promote available fraud reporting routes for both internal and external sources. Update any associated guidance if required.	December 2025
Prevent	6	Fraud intelligence alerts to be provided to service areas as necessary.	Ongoing
	7	Review and investigate the results of the National Fraud Initiative 2024/25 exercise, released between January and April 2025.	March 2026
	8	Continue to enhance data analytics capability to support potential areas of proactive work.	Ongoing
	9	Complete joint proactive reviews with Internal Audit, with a focus on preventing and detecting fraud with the use of data analysis techniques.	March 2026
	10	Provide targeted fraud awareness training to internal teams and service areas.	Ongoing
Pursue	11	Conduct investigations into suspected fraud and irregularity (this includes participation in joint investigations with other enforcement authorities).	Ongoing

	12	Continue enforcement activities against Blue Badge fraud and misuse by completing on-street exercises, pursuing criminal prosecutions against detected misuse or applying sanctions as required.	3-4 targeted exercises per financial year
	13	Respond to information requests from the Police, other Local Authorities, and investigation bodies such as HMRC.	Ongoing
Protect	14	Review and share fraud trends and new threats with relevant service areas.	Ongoing
	15	Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, Care Quality Commission).	Ongoing