

AUDIT & GOVERNANCE COMMITTEE
11 March 2026

COUNTER FRAUD UPDATE

Report by Deputy Chief Executive (S151 Officer)

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) Note the summary of activity against the Counter Fraud Plan for 2025/26.

Executive Summary

2. This report presents a summary of activity against the Counter Fraud Plan for 2025/26, presented to the July 2025 Audit & Governance committee meeting. 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.

Counter Fraud Team Update

3. **Counter Fraud Service Resources Update**
 - As reported to the July 2025 meeting, 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 left the team at the end of February to take up a new role within the Council. Recruitment of a replacement Counter Fraud resource is now being progressed.
 - As noted in previous updates, the Counter Fraud team receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Counter Fraud Team Manager meet with the Director of Law & Governance regularly to review, discuss and progress all whistleblowing investigations.
4. **Case Figures 2025/26 (at end of February 2026):**

Indicator	Value
New Cases 2025/26 (April – end of February 2026)	35 cases

Current open cases (by year)	2025/26: 22 2024/25: 8 2023/24: 1
With the Police	For 5 cases, the team are currently in liaison with the police.
New Cases by type	Blue Badge: 9 Bus Pass: 1 Corporate Contractor and Procurement: 4 Employee: 6 Financial Abuse: 9 Insurance: 1 Deprivation of Assets: 3 Direct Payment: 1 Cheque Fraud: 1
New Cases by referral source	Employee / Internal Control: 34 External: 1

Since November 2025, **11 cases have been resolved** with the following outcomes:

- Six blue badge misuse cases: Two resulted in successful criminal prosecutions, and four resulted in a warning letter being issued to the badge user and badge holders.
- One case where procedural weakness was identified in the procurement process within a service area. However, no evidence of fraud or irregularity was identified.
- One case where the Counter Fraud investigation resulted in an insurance claim being refused.
- One case of alleged misuse of Council procurement card by an employee. Whilst fraud or irregularity was not evidenced, the use of procurement cards in the service area have been reviewed and a number withdrawn where necessary.
- One Financial Abuse case involving a family member was investigated. A recovery of £5,000 of the debt owed to OCC was made and Money Management are now involved in supporting the service user with the safe management of their finances.
- One case of cheque fraud where payee details had been amended by what appears to be an external source, the bank have reimbursed OCC for the full amount lost.

The total value of the alleged fraud/irregularity for these 11 cases was calculated at **£13,028**. A total of **£7,028** was recovered back to the Council from the 2 cases where financial restitution was achieved. Additionally, £2,076 was awarded to the council by a way of contribution towards its costs.

The total future loss prevented from the cases closed has been calculated at **£6784.03**.

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.

5. Update against the Counter-Fraud Plan 2025/26

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.

The Counter Fraud Plan for 2025/26, which was previously presented to the July 2025 Audit & Governance Committee is included within Annex 1. This reports on progress with delivery of the plan. The plan has been delivered for 2025/26.

6. National Fraud Initiative Update (NFI):

The data match review for the 2024/25 exercise is currently underway. Each area has been summarised below:

Pensions:

As reported in the November 2025 Counter Fraud update, the NFI exercise identified 5 deaths that were previously unknown to the Pension Service. The total overpayment was £2,297.55, of which £1,553.11 has been recovered. Recovery of the overpayments from two matches is still ongoing.

Within the 'Deferred Pensions to DWP Deceased' report, a total of ten matches related to previously unknown deaths have been resolved and closed, and there are currently 24 matches open and under review. The matches identified do not reflect any loss to the Pension Fund but enable the Pension Service to proactively contact the next of kin and ensure that entitlements are appropriately managed.

Additionally, the two Payroll to Pensions reports have now been reviewed in full. These relate to pensioners who were identified as having returned to work. Of those reviewed, there are nine cases that are undergoing assessment by the Pension Service.

Payroll:

It was reported in the November 2025 Counter Fraud update that the National Fraud Initiative had identified two cases of undeclared secondary employment that were under investigation. These investigations remain under investigation by the team; one of which has been accepted for referral by the police.

Blue Badges:

It was previously reported that of a total 14 matches identified where a blue badge holder concurrently held a second blue badge with another local authority, nine had been resolved with no issues, and five remained under investigation. Since the November 2025 update, all matches have been resolved with no issues found.

Concessionary Travel Passes:

The NFI exercise produced 1,634 data matches related to Concessionary Travel Passes, all of which related to pass-holders identified as deceased. These matches have now been fully reviewed, resulting in a total of 1,479 badges cancelled and a total estimated saving to the council of £56,202 based on Cabinet Office methodology for calculating estimated savings.

Adult Social Care Matches:

In November 2025, it was reported that following the reintroduction of matches relating to Personal Budgets (Direct Payments) and Private Supported Care Home Residents, the extraction and upload of this data was in progress. The upload was completed in November, following which the matches were released in December 2025. All matches have been fully reviewed by the Financial Assessments Team.

There were five clients in receipt of a Direct Payment who were identified as deceased, of which all were already known to the service by the match release date and the appropriate recovery action taken through standard procedures.

There were 59 clients with a care package relating to private residential care who were identified as deceased. The deaths of 56 of the 59 clients were already known to the service, and appropriate recovery action had been taken in line with standard procedures. For the remaining three cases, overpayments to care providers totalling £93,743 have been identified and are subject to further investigation, including recovery action.

Duplicate Creditor Payments & Conflict of Interest Matches:

A sample of 100 matches from the six reports relating to duplicate creditor payments have been reviewed. There were no duplicate payments identified. Of those sampled, 11 matches were confirmed to be a positively identified duplicate payment that had already been resolved. The outcome of the match review provides positive assurance of the effectiveness of the council's controls for preventing and detecting duplicate payments.

There were 95 matches in the NFI exercise relating to a potential conflict of interest, where an employee of the council or potential family member of an employee was identified as a director of a company the council has used as a creditor. A full review of these matches has been completed, with follow up action to resolve them in progress.

Additionally, there were 111 matches relating to a potential conflict of interest where an employee of the council was identified to have received separate payment as a creditor. The review of these matches is in progress.

An update to the outcome of the Conflict-of-Interest matches will follow in the next Counter Fraud update to the July 2026 Audit & Governance Committee.

7. Blue Badges

In the November 2025 Counter Fraud update to Audit & Governance Committee, it was reported that one case had been adjourned in the Oxford Magistrates Court. This has since been heard and resulted in a successful prosecution where the council was awarded £911 in costs, and a fine of £307 was issued. Victim surcharges totalling £123 were also issued. The Committee was also advised of the preparation of a prosecution file for a second case. This has also been heard and resulted in a successful prosecution where the council was awarded £1165 in costs, and a fine of £140 was issued. Victim surcharges totalling £56 were also issued.

Since the last update to the Committee in November 2025, a blue badge enforcement operation was undertaken in Banbury in December 2025. A total of 59 blue badges were checked across several town centre locations. Four individuals were advised and educated after being found to be using blue badges without the badge holders present. Two badges were identified as replaced (lost) and two badges were identified as cancelled (deceased), one of which had also expired. Two blue badges were seized, seven penalty charge notices were issued, and six warning letters have been issued. Two cases identified during the operation are progressing for further investigation by the Counter Fraud team.

A further enforcement operation was undertaken in Oxford City Centre in January 2026. A total of 83 blue badges were checked across multiple central locations. One individual was advised and educated after being found to be using a blue badge without the badge holder present. One replaced (lost) badge, and one counterfeit blue badge was identified. Six Penalty Charge Notices were issued. Two cases identified during the operation are progressing for further investigation by the Counter Fraud team. Further updates will be provided as the cases progress.

The next enforcement exercise is being planned for the end of Q4.

8. Controls Improvement & Case Updates:

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 November 2025 Audit & Governance Committee, the team have issued 2 investigation reports:

Report Reference	Description	Date Issued
1	Report into allegation of the fraudulent claiming of mileage expenses and hours worked.	Q3
2	Procurement without following appropriate procurement procedures.	Q4

Other cases to note:

There are several cases to note within the 31 cases currently open. A summary of these investigations is provided below, with further updates to be provided to the Audit & Governance Committee as they progress.

There are two live investigations relating to undisclosed secondary employment, which are currently with the Economic Crime Unit at Thames Valley Police. A third case, currently also with the police, relates to an investigation around an education provider's compliance with the terms of a contract they held with the Council. A fourth case relates to alleged inflated expenses by an employee, which has been subject to HR/disciplinary process resulting in dismissal. We continue to be involved in cases of financial abuse and deprivation of assets within Adult Social Care, utilising the powers of an Accredited Financial Investigator to access financial information relating to the investigation.

Financial Implications

9. 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.

Comments checked by: Lorna Baxter, Deputy Chief Executive (S151 Officer)
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Legal Implications

10. There are no direct legal implications arising from this report which presents a summary of activity against the Counter Fraud Plan for 2025/26.

Comments checked by: Jay Akbar, Head of Legal and Governance Services,
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Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

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

Risk Management

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

Annex: Annex 1: 2025/26 Counter Fraud Plan

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March 2026.

ANNEX 1: Counter Fraud Plan 2025/26 – Position at March 2026

Theme	Ref	Action	Timescale	Position at March 2026
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	Complete - Updated and presented to the November 2025 Audit & Governance Committee.
	2	Continue development of the Council's fraud risk register.	Ongoing	Complete.
	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	In progress – will be carried forward into the 2026/27 Counter Fraud plan.
	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	Complete – satisfied with compliance.
	5	Review and promote available fraud reporting routes for both internal and external sources. Update any associated guidance if required.	December 2025	Complete – identified areas for improved reporting.
Prevent	6	Fraud intelligence alerts to be provided to service areas as necessary.	Ongoing	Ongoing.
	7	Review and investigate the results of the National Fraud Initiative 2024/25 exercise, released between January and April 2025.	March 2026	The match review is complete – some matches are still under investigation. See above update in section 6 of the main report.
	8	Continue to enhance data analytics capability to support potential areas of proactive work.	Ongoing	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	One audit of Duplicate Payments - evaluating the controls to prevent and detect duplicate payments has been complete as is at draft report stage.
	10	Provide targeted fraud awareness training to internal teams and service areas.	Ongoing	Three training sessions have been delivered to Adults' Direct Payment staff and Headteachers. A further two sessions have been delivered to Education and Social Care teams within the wider Children's Direct Payments team, these were also recorded for those staff unable to attend.
Pursue	11	Conduct investigations into suspected fraud and irregularity (this includes participation in joint investigations with other enforcement authorities).	Ongoing	Ongoing. 35 new cases have been opened from April 2025 to date.
	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	Three enforcement exercises were conducted in April 2025. Further exercises were carried out December 2025 and January 2026, a further exercise is planned for the end of Q4.
	13	Respond to information requests from the Police, other Local Authorities, and investigation bodies such as HMRC.	Ongoing	Ongoing.
Protect	14	Review and share fraud trends and new threats with relevant service areas.	Ongoing	Ongoing. 8 fraud alerts from the National Anti-Fraud Network (NAFN) have been disseminated to relevant internal teams from November 2025 to date.
	15	Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, Care Quality Commission).	Ongoing	Ongoing