

**AUDIT & GOVERNANCE COMMITTEE**  
**15 July 2026**

**COUNTER FRAUD PLAN AND UPDATE**

**Report by Deputy Chief Executive & S151 Officer**

**RECOMMENDATION**

1. **The Committee is RECOMMENDED to**
  - a) Note the annual summary of counter fraud activity for 2025/26.
  - b) Approve the Counter Fraud Plan for 2026/27.

**Executive Summary**

2. This report presents an overview of counter fraud activity for 2025/26.
3. The report also presents the Counter Fraud Plan for the coming year 2026/27.
4. 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**

5. 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.

6. 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.

7. 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."
8. 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.
9. The Anti-Fraud and Corruption Strategy was last updated in 2025. The Strategy will be reviewed and updated in 2027, again as part of its two-yearly review.

## **Service Vision**

10. Whilst recognising that Internal Audit and Counter Fraud are two distinct professions, they are managed under one service by the Head of Internal Audit and Counter Fraud. 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.
11. 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**

12. 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.

- Support Local Government Reorganisation, ensuring an effective transition to new organisational arrangements, including the review of the design and adequacy of new governance and internal control structures as they are developed and implemented.

## **Counter Fraud Team Update**

### **Counter Fraud Service Resources Update**

13. The Counter Fraud Team comprises of a Counter Fraud Manager, Deputy Counter Fraud Manager, Senior Fraud Prevention Officer and a Fraud Prevention Officer.
14. The Senior Counter Fraud Prevention Officer post is currently vacant. A recruitment exercise has been completed, and the position has been offered. Onboarding processes are currently underway, with an expected start date of mid-July 2026.
15. 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.

### **Update against the Counter-Fraud Plan 2025/26**

16. The Counter Fraud Plan for 2025/26, which was previously presented to the July 2025 Audit & Governance Committee has been delivered. This was reported to the March 2026 Audit & Governance Committee and is included within Annex 1 for information.

### **Counter Fraud Activity Summary 2025/26**

17. A full summary of activity of the Counter Fraud Team for 2025/26 is included in Annex 2. The purpose of the annual activity summary report is to capture the key outcomes achieved during 2025/26, 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.
18. The annual activity summary includes reporting on case figures and the amounts recovered back to the Council where financial restitution has been achieved. 2025/26 has been a successful year for the Counter Fraud Team with positive recovery figures and the prevention of future losses. The activity

summary also includes notable achievements with both criminal and civil prosecutions and joint working with partner organisations.

19. 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.
20. 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.

### **Counter Fraud Plan 2026/27**

21. The Counter Fraud Plan for 2026/27 is included in Annex 3. 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 2026 and March 2027 Audit & Governance Committee meetings.

### **Local Government Reorganisation**

22. Once the government's decision on the future unitary model for Oxfordshire is confirmed, a coordinated and collaborative approach will be required across existing internal audit and counter fraud functions to support an effective transition to any new organisational arrangements. The counter fraud plan will need to be aligned and coordinated with the internal audit activity, focussing on emerging fraud risks during transition and post vesting day.
23. The counter fraud plan will therefore be subject to regular review and adjustment throughout 2026/27 and 2027/28, leading to vesting day in April 2028.

## Case Figures 2026/27

24. These are the case figures as at mid-June 2026 and include 13 new cases received so far in 2026/27.

Indicator	Value
New Cases 2026/27 (April – June 2025)	13 cases
Current open cases (by year)	2026/27: 7 2025/26: 18 2024/25: 3 2023/24: 1 5 open cases under joint investigation with the police
New Cases by type	Contractor: 2 Employee: 1 Blue badge: 10
New Cases by referral source	Employee / Internal Control: 13

## National Fraud Initiative Update (NFI):

25. The 2024/25 bi-annual National Fraud Initiative (NFI) exercise, a significant element of the Counter Fraud Team's proactive fraud detection programme, commenced in October 2024 with the upload of data to the Cabinet Office in the areas of; blue badge parking permit, concessionary travel pass, pensions, payroll, personal budget, private residential care homes and resident parking permits. During 2025/26 the Counter Fraud Team completed its review of the match data, achieving the following results:

In total, the Cabinet Office's estimated future saving for the 2024-25 exercise is **£709,767.22**.

This is broken down by the cancellation of 5 pensions from the 'Pensions to DWP Deceased' report (estimated saving = £25,143.54); the identification of 3 private residential care home matches to DWP deceased (estimated saving = £60,215.68); the cancellation of 640 Blue Badges (estimated saving = £562,152.00); and the cancellation of 1,479 Concessionary Travel Passes (estimated saving = £56,202) and one match from payroll to creditors (estimated saving = £6,054.00).

The savings attributable to the National Fraud Initiative (NFI) have been calculated and reported in line with the methodology set out by the Cabinet Office, which provides a consistent framework for measuring and recording outcomes across participating bodies.

26. Update on individual data match areas (since last report to March 2026 Audit & Governance Committee):

*Pensions.*

As reported in the March 2026 update, the National Fraud Initiative (NFI) identified five deaths that were previously unknown to the Pensions Service. The total overpayment was £2,297.55, of which £1,553.11 has been recovered. Recovery remains ongoing for two of the matches, as both deaths occurred abroad, and it has not yet been possible to obtain the necessary details. Given the limited likelihood of further recovery, these cases are likely to be closed as no further action on the NFI database.

Of the 24 matches previously highlighted as open and under review within the 'Deferred Pensions to DWP Deceased Report' the service has attempted to obtain information on relatives via the General Registry Office. These matches do not reflect any loss to the Pension Fund and have therefore been closed for NFI purposes.

The pension service has now reviewed the outstanding Payroll to Pensions reports which identified instances of pensioners returning to work. No issues have been identified.

*Payroll.*

Two cases of potential multiple employment remain under active investigation, one by Thames Valley Police and one by the Counter Fraud Team.

*Adult Social Care Matches.*

All matches have been reviewed by the Financial Assessment Team. 3 matches related to clients with a residential care package who were identified as deceased. The total overpayment to the care providers was £93,743 which has been recovered by the service area in the normal way. The Counter Fraud Team is currently investigating the circumstances behind the non-reporting of the deaths by the care home.

*Duplicate Creditor Payments and Conflict of Interest matches.*

A sample of 100 matches from the six reports that relate to duplicate creditor payments have been reviewed. 11 were confirmed to be duplicates but further investigation showed that these had all already been positively identified providing assurance that the Council's controls are effective at preventing and detecting duplicate payments.

As reported in March 2026, 111 employee-to-creditor matches were identified. A sample review confirmed that cases raising queries, primarily within schools, related to declared and compliant secondary employment. Further testing of higher risk address matches identified two cases requiring investigation. One was resolved through declaration of a conflict-of-interest form, while the other

led to substantiated findings, resulting in HR sanctions and the employee's resignation.

Consistent with previous NFI exercises, the majority of matches were closed with no further action, reflecting the nature of data matching which highlights potential overlaps rather than confirmed irregularities. Most matches related to legitimate and appropriately declared arrangements, with only a small number requiring escalation. These outcomes provide assurance that potential conflicts of interest are being effectively identified and managed.

### **Details for 2026/27 NFI Exercise.**

27. The Cabinet Office has confirmed key dates for the 2026/27 exercise. Data must be extracted and uploaded between the 30 September and the 21 October 2026. Data extracted will be 'as is' on the 30 September 2026. We expect the match returns to be made available from February 2027.

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

28. 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.
29. Since the last update to the March 2026 Audit & Governance Committee, the team have finalised two investigation reports. One relates to an investigation into invoicing and contract compliance by a transport provider. The other relates to an investigation into an NFI creditor match between a school employee and provider.
30. The team continues to be involved in cases of financial abuse and deprivation of assets within both Adults and Children's Social Care and, during the year, has made increased use of Production Orders as part of its investigative toolkit. This reflects a growing complexity in casework, including an increase in instances where individuals have sought to obscure their true financial position through asset concealment, false or misleading statements regarding personal or family finances, and the movement of funds across multiple bank accounts.
31. Applications for Production Orders are only made where the team has established reasonable grounds to suspect an underlying fraud offence, and the potential for associated money laundering. In response to these trends, the team has adapted its approach to ensure that enquiries remain effective, lawful and proportionate. Production Orders are used selectively and only where necessary to obtain relevant financial information that cannot reasonably be secured through less intrusive means, with appropriate legal oversight and governance safeguards in place.

32. A number of these cases have now progressed to the point where sufficient evidence has been obtained to support inviting individuals to attend interviews under caution. In several instances, the matters under investigation involve a combination of deprivation of assets and potential fraud by false representation, reflecting circumstances where individuals are suspected of making false or misleading declarations to support or facilitate the concealment or disposal of assets.
33. The Team is in the final stages of a complex investigation involving a contracted supplier, which is expected to proceed to the High Court. External Counsel has been appointed, and draft Particulars of Claim have been prepared. Legal advice has also been obtained in relation to the potential use of civil recovery powers, including consideration of a restraint order under Part 5 of the Proceeds of Crime Act 2002, to safeguard any funds pending the outcome of proceedings.

## **Financial Implications**

34. 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 2025/26.

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## **Legal Implications**

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

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## **Staff Implications**

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

## **Equality & Inclusion Implications**

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



## Annex 1 – Update on delivery of Counter Fraud Plan 2025/26

Theme	Ref	Action	Timescale	Position at end of year 2025/26
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.
	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 and a final report issued.
	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. 37 new cases were opened from April 2025 to 31 March 2026.
	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	Four enforcement exercises were conducted between April 2025 and March 2026.
	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	In 2025/26, the team disseminated a total of 25 fraud intelligence alerts to colleagues across service areas within the Council.
	15	Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, Care Quality Commission).	Ongoing	Ongoing

## ANNEX 2: Counter Fraud Team Activity Summary 2025/26

### 1. Introduction

The Counter Fraud Team operates alongside the Internal Audit function under one service, with both professions reporting directly to the Head of Internal Audit and Counter Fraud. The team is responsible for developing and implementing the Anti-Fraud and Corruption Strategy, including fraud prevention, undertaking investigations into suspected or reported financial irregularities and pursuing the appropriate sanctions and recovery of funds.

This annual summary captures key outcomes achieved across the year and reflects the completion of the Counter Fraud Plan 2025/26. The outcomes include a summary of matters investigated and closed within 2025/26, the proactive initiatives delivered for the prevention and detection of fraud and improvements made to strengthen internal controls.

### 2. Fraud Investigations

#### 2.1. 2025/26 Cases Summary

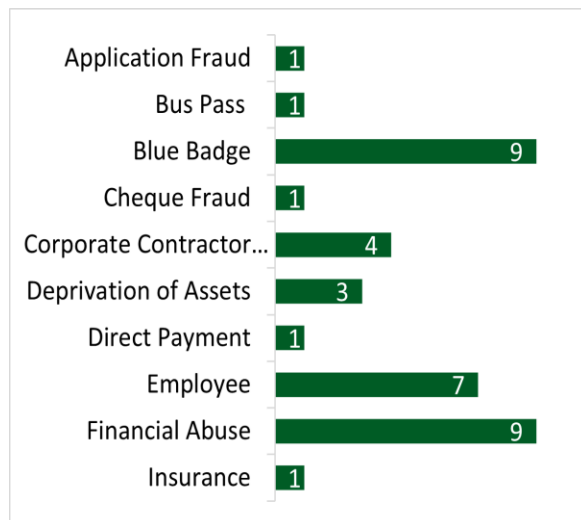


Figure 1: 2025/26 Cases by Fraud Type

The Counter Fraud Team received and logged **37 cases** of suspected fraud/irregularity in 2025/26. A breakdown of the cases by fraud type are displayed in *Figure 1*. 2025/26 saw a **16% increase** in the number of fraud cases reported to the team, compared to the previous year (2024/25).

**35 (94%) 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.

This further increase in fraud referrals is seen as a positive result of increased fraud awareness and promotion of the Counter Fraud Team internally, delivering fraud awareness training across the Council, issuing fraud alert bulletins to specific service areas and general alerts on The Hive as well as increased publicity of blue badge enforcement days.

**24 cases remain open** and are under investigation. Cases may 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.

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

- 5 cases of blue badge misuse resulting in 1 successful criminal prosecution and 4 resulted in sanctions being applied.
- 1 case of cheque fraud which resulted in a full refund totalling £2,028 from the bank.
- 1 case of insurance fraud which resulted in the claim being denied in full.
- 2 cases of alleged employee irregularity which resulted in control improvements being agreed with the service areas.
- 2 cases of alleged irregularities in the contract and procurement process. Both resulted in control improvements being agreed with the service area and sanctions being applied in one of the cases.
- 1 case of financial abuse resulting in a debt to the Council where full recovery of £12,346 has been made.
- 1 case of alleged bus pass fraud that resulted in no further action.

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

5 open cases are currently under joint investigation with Thames Valley Police. These represent the more complex and high-risk matters handled by the Counter Fraud Team and include multiple employment, financial abuse and misuse of Direct Payments. In these cases, the approach goes beyond referral, with ongoing collaboration between the Counter Fraud Team and the Police, through shared intelligence, coordinated investigative activity, and regular liaison to ensure the best outcome for the Council.

## 2.3. 2025/26 Resolved Cases

A total of **28 cases** were closed in 2025/26. This includes the 13 cases reported above that were received and closed in 2025/26 and an additional 15 cases that had been received in previous financial years. The outcomes of these closed cases can be broken down into the following categories:

4

cases that resulted in a successful criminal prosecution

10

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

8

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

2

cases where required control improvements were identified and agreed with the service area.

4

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

The total value of the alleged fraud / irregularity for these 28 cases was calculated at **£150,718.15**. A total of **£139,158.39** was recovered back to the Council or where recovery action is in process from the 10 cases where financial restitution was achieved.

Additionally, **£199,000** was recovered for a deprivation of assets case that was opened in 2019/20.

This brings the total amount recovered in the year to **£338,158.39**.

The total future loss prevented from the closed cases has been calculated at **£112,240.17**. This total includes 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.

These figures exclude the recoveries and future prevented losses of **£709,767.22** from the National Fraud Initiative (reported under paragraph 3.2).

### 3. Proactive Fraud Prevention and Detection

#### 3.1. Blue Badge Enforcement

In 2025/26, 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.

**253**

badges checked in vehicles where blue badge was displayed to obtain a parking concession. 6% increase from 2024/25.

**19**

Penalty Charge Notices issued by the Council's Civil Enforcement Partner. 12% increase from 2024/25.

**11**

badges seized where evidence of misuse was found on the enforcement day. 83% increase from 2024/25.

**4**

cases of blue badge misuse successfully prosecuted. 33% increase from 2024/25. Resulting in fines totalling £1423 and £4,363 awarded to the Council in costs.

**5**

warning letters issued by the Counter Fraud Team. 25% increase from 2024/25.

**5**

advice issued as to the proper use of the blue badge in lieu of an official warning.

This year recorded the highest number of blue badges inspected, the greatest number of badges seized, and the most penalty charge notices issued to date. There were 4 prosecutions which resulted in fines totalling £1423 and costs of £4363 being awarded to the council.

In addition to securing successful outcomes in court, we also publicise these cases to raise public awareness and reinforce the message that identified misuse will not be tolerated. As well as coverage in local media, the Council was named in the national press as one that has been taking action against blue badge misuse. This approach serves as a visible deterrent, helping to prevent further abuse and ensuring that blue badge spaces remain available for those with genuine need.

### 3.2. National Fraud Initiative

The 2024/25 bi-annual National Fraud Initiative (NFI) exercise, a significant element of the Counter Fraud Team's proactive fraud detection programme, commenced in October 2024 with the upload of data to the Cabinet Office in the areas of; blue badge parking permit, concessionary travel pass, pensions, payroll, personal budget, private residential care homes and resident parking permits. During 2025/26 the Counter Fraud Team completed its review of the match data, achieving the following results:

In total, the Cabinet Office's estimated future saving for the 2024-25 exercise is **£709,767.22**. This is broken down by the cancellation of 5 pensions from the 'Pensions to DWP Deceased' report (estimated saving = £25,143.54); the identification of 3 private residential care home matches to DWP deceased (estimated saving = £60,215.68); the cancellation of 640 Blue Badges (estimated saving = £562,152.00); and the cancellation of 1,479 Concessionary Travel Passes (estimated saving = £56,202) and one match from payroll to creditors (estimated saving = £6,054.00). The savings attributable to the National Fraud Initiative (NFI) have been calculated and reported in line with the methodology set out by the Cabinet Office, which provides a consistent framework for measuring and recording outcomes across participating bodies.

### 3.3. Fraud Risk Identification and Assessment

The Economic Crime and Corporate Transparency Act 2023, introduced a new offence whereby organisations, including local authorities, may be held criminally liable if they fail to prevent fraud committed by employees or associated third parties where the organisation benefits. This offence is linked to the core offences set out in the Fraud Act 2006 and continues to shape the Council's approach to fraud risk management.

A key statutory defence is the ability for an organisation to demonstrate that reasonable procedures are in place to prevent fraud. Building on previous work, the Counter Fraud Team have continued to embed and develop the Fraud Risk Register as a core component of these arrangements, ensuring that both organisation-wide and service-specific fraud risks are regularly assessed and that mitigating controls remain effective, proportionate and aligned to the Council's risk policy.

The register continues to be used as a joint tool by Internal Audit and Counter Fraud, supporting a coordinated approach to assurance and risk management. It will be subject to ongoing review and refinement, with fraud risks assessed in line with the Public Sector Fraud Authority's Fraud Risk Assessment standards.

### 3.4. Fraud Awareness Activities

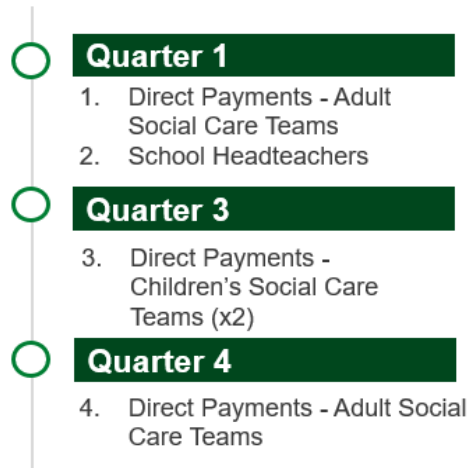


Figure 2: Fraud awareness sessions delivered in 2024/25

#### 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 2025/26. A total of **5 training sessions** were delivered to groups of staff members. *Figure 2* shows the training sessions that were delivered per quarter.

Other fraud awareness activities completed include:

#### International Fraud Awareness Week 2025

To mark International Fraud Awareness Week in November 2025, 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 2025/26, the team disseminated a total of **25 fraud intelligence alerts** to colleagues across service areas within the Council.

### 3.5. Joint Assurance Work with Internal Audit

In 2025/26, Internal Audit and the Counter Fraud Team undertook a joint review of duplicate payments, including analysis of National Fraud Initiative (NFI) duplicate creditor payment matches, which identified no unresolved duplicate payments; where duplicates had occurred, these had already been detected through existing controls and funds recovered. Additional data matching was carried out to identify potential duplicate payments arising after the NFI extract, this identified one exception not previously detected, with all other cases having been identified and resolved through established processes. Overall, the review provided positive assurance that controls operating both retrospectively and in real time are effective in identifying, preventing, and recovering duplicate payments.

## 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 2025/26, the team issued seven post investigation controls improvement reports:

Report Reference	Description	Date Issued	Number of Management Actions
1	Report on an investigation regarding the use of a Children's Direct Payment	Q1	4
2	Report on an investigation into invoicing and contract compliance by a transport provider.	Q1	1
3	Improvements to controls around the use of assets within a service area.	Q2	5
4	Report on an investigation into invoicing and contract compliance by a transport provider.	Q2	5
5	Report on an investigation into contract compliance by an education provider.	Q2	0
6	Report into allegation of the fraudulent claiming of mileage expenses and hours worked.	Q3	0
7	Procurement without following appropriate procurement procedures.	Q4	0
8	Report on an investigation into invoicing and contract compliance by a transport provider.	Q4	3

Of **18** total management actions agreed: **11** have been implemented (**61%**) and **7** have been partially implemented (**39%**). These continue to be monitored for implementation.

### ANNEX 3: Counter Fraud Plan 2026/27

Theme	Ref	Action	Timescale
Govern / Acknowledge	1	Support LGR by identifying and mitigating emerging fraud risks during transition, ensuring robust controls and intelligence sharing pre and post vesting day.	Ongoing
	2	Continue maintenance of the 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. (Includes implementation of Cabinet Office Fraud Risk Accelerator)	October 2026
	4	Complete an annual 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.	October 2026
	5	Annual review and promotion of available fraud reporting routes for both internal and external sources. Update any associated guidance if required. (Includes relaunch of new Adult Social Care procedural guidance for recognising and reporting potential Fraud).	October 2026
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 2026/27 exercise, released between January and April 2027.	March 2027
	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. This will include for 2026/27 a joint review of additional salary payments.	March 2027

	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