

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	18 SEPTEMBER 2025
Report Title:	ANNUAL CORPORATE FRAUD REPORT 2024-25
Report Owner / Corporate Director:	CHIEF OFFICER FINANCE, HOUSING AND CHANGE AND HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	SIMON ROBERTS – SENIOR FRAUD INVESTIGATOR AND JOAN DAVIES – DEPUTY HEAD OF REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	• The Annual Corporate Fraud Report 2024-25 summarises the work undertaken in respect of counter fraud by the Council’s Fraud Department and the Regional Internal Audit Service. • It provides an update to the Governance and Audit Committee on the arrangements in place to manage the risk of fraud. • The developments and actions the Council proposes to take over the medium-term future, to further improve its resilience to fraud, are shown in this report as our steps to continual improvement. • The report provides an update on the National Fraud Initiative and includes a completed self-appraisal checklist issued by Audit Wales. • The report provides details on the monetary value of any fraud or error identified throughout 2024-25.

1. Purpose of Report

- 1.1 The purpose of this report is to present members of the Governance and Audit Committee with the Annual Corporate Fraud Report 2024-25, which summarises

the actions undertaken in respect of counter fraud. The report also provides an update on the National Fraud Initiative (NFI) exercise and includes a completed self-appraisal checklist that Audit Wales encouraged all participating bodies to complete.

2. Background

2.1 One of the core functions of an effective Governance and Audit Committee is:

- To consider the effectiveness of the Council's Risk Management arrangements, the control environment and associated anti-fraud and corruption arrangements.

2.2 This report updates the Committee on the arrangements in place for managing the risks of fraud with the aim of prevention, detection and subsequent investigation and reporting of fraud.

2.3 The impact of fraud should never be underestimated. Fraud leaves the Council with less money to spend on services for residents and costs taxpayers money. Fraud against a local council is not a victimless crime. There is not only the lost/stolen money to consider but also the loss of working time investigating and correcting issues, liaising with police and lawyers, any subsequent court costs, increased insurance premiums, reputational damage for individuals or the Council as a whole and poor staff morale.

2.4 The Council sets high standards for both Members and officers in the operation and administration of the Council's affairs and has always dealt with any allegations or suspicions of fraud, bribery, or corruption promptly. It has in place policies, procedures, and reporting mechanisms to prevent, detect, and report on fraud, bribery, and corruption. These include the Fraud Strategy and Framework, a Whistleblowing Policy, ICT Code of Conduct, Anti-Fraud, Bribery and Corruption Policy, Anti-Tax Evasion Policy, and Anti-Money Laundering Policy. A Fraud Risk Register is also in place.

2.5 The Fraud Strategy and Framework underpins the Council's commitment to prevent all forms of fraud, bribery, and corruption, whether it be attempted externally or from within.

3. Current situation / proposal

3.1 The Annual Corporate Fraud Report is attached at **Appendix A** and it summarises the counter fraud work undertaken within the Council during 2024-25.

3.2 The Council's Fraud Strategy and Framework includes reactive and proactive work and sets out the developments and actions the Council proposes to take over the medium-term to further improve its resilience to fraud, bribery, and corruption. The report at **Appendix A** outlines the progress made against these measures. For example, further significant improvements have been made to the external fraud webpages on the Council's internet site allowing members of the public and staff to refer various types of fraud directly to the Fraud Department. These webpages also contain a wealth of information for staff and members of the public to peruse relating to fraud and the work of the department. In addition, our Anti-Tax Evasion Policy, Anti-Money Laundering Policy and Anti-Fraud, Bribery and Corruption Policy

have recently been refreshed and updated. Fraud awareness training sessions also continue to be delivered and are available to both staff and Members as and when required. The steps to support continual improvement are shown at **Annex 1** of **Appendix A**.

- 3.3 One activity included within these steps to support continual improvement is the National Fraud Initiative. This is a biennial exercise co-ordinated in Wales by Audit Wales whereby data is extracted from the Council's systems and reports. This data is then matched against data submitted from other bodies such as other Local Authorities, the Department for Work and Pensions (DWP), His Majesty's Revenue & Customs (HMRC), NHS & Trusts, Police and Housing Associations etc. It is important to note that, where a match is found, it is not in itself evidence of fraud, it may be an error or an inconsistency that requires further investigation.
- 3.4 **Appendix A** provides details of the most recent biennial data matching exercise which was based on data extracted in October 2024 with the matches released in December 2024. This exercise is still in the early stages of completion but, so far, a total of 8 fraud or errors have been identified equating to £8,017.23 of recoverable funds. This sum is currently only attributable to council tax reduction or housing benefit matches. The exercise has also resulted in the cancellation of 230 blue badges, where the holder was deceased, generating a notional saving, calculated by the Cabinet Office, of £182,620. More detailed results are included at **Annex 2** of **Appendix A**. The next biennial data matching exercise will be due to commence towards the end of 2026 with data extracted in October 2026 and the new matches returned in the early part of 2027. **Appendix A** also provides details of the most recent annual Single Person Discount data matching exercise, which was based on data extracted at the end of 2023 for review in 2024. A total of 282 possible frauds or errors were identified equating to £138,135.59 of potentially recoverable funds. More detailed results relating to this exercise are included at **Annex 4** of **Appendix A**.
- 3.5 In November 2024 Audit Wales issued a Self-Appraisal checklist to help participating bodies self-appraise how they are engaging with the NFI. Audit Wales encouraged all participating bodies to complete the checklist and present it to those charged with governance to support scrutiny of their NFI arrangements. The completed checklist is included at **Annex 5** of **Appendix A**.
- 3.6 The Annual Report at **Appendix A** also provides detail of the internal counter fraud work undertaken by the Regional Internal Audit Service and the Council's Senior Fraud Investigator, including internal investigations, council tax reduction (CTR) investigations and blue badge investigations.
- 3.7 Council Tax Reduction and incidental housing benefit savings of £77,987.96 were achieved as a result of fraud investigations concluded during 2024-25. The fraud department also provides assistance to the DWP throughout their investigations where information and advice is given in respect of the Housing Benefit and Council Tax Reduction that has been claimed. During 2024-25 Housing Benefit savings of £55,674.43 and CTR savings of £12,053.37 were achieved as a result of these DWP investigations and the assistance provided.
- 3.8 Joint working was also undertaken during 2024-25 with Bridgend County Borough Council (BCBC) working with the Single Fraud Investigation Service (SFIS) on any appropriate benefit investigations. Local networking is also in place which has

enabled intelligence to be shared, particularly in respect of new scams that have materialised during the cost-of-living crisis.

- 3.9 The Council took part in a national study which was to review the effectiveness of counter fraud arrangements in the Welsh public sector. The resulting report was published in July 2020. The recommendations from this most recent report, made by Audit Wales, were considered when reviewing and updating the Fraud Strategy and Framework for 2025-26 to 2027-28. This updated strategy was recently reviewed by the Governance and Audit Committee in April 2025 and approved by Cabinet in June 2025 and has ensured that the work being undertaken in relation to counter fraud continually improves.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. This is an information report; therefore, it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

- 6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

- 8.1 The financial implications are reflected within this report as any fraud impacts on the resources available to the council.

9. Recommendations

- 9.1 It is recommended that the Committee note the Annual Corporate Fraud Report 2024-25, the steps in place to support continual improvement, the work being undertaken to prevent and detect fraud and error and the update on the National Fraud Initiative to include the completed self-appraisal checklist.

Background documents

None