Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**16 JULY 2026**
Report Title:	**ANNUAL CORPORATE FRAUD REPORT 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR - FINANCE AND TRANSFORMATION** **HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE**
Responsible Officer:	**SIMON ROBERTS – SENIOR FRAUD INVESTIGATOR** **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 2025-26 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.** • **The report provides details on the monetary value of any fraud or error identified throughout 2025-26.**

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 2025-26, which summarises the actions undertaken in respect of counter fraud. The report also provides an update on the National Fraud Initiative (NFI) exercise.

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 2025-26.

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, the Bridgenders intranet pages have been improved and updated with an increased amount of fraud information available for staff. Significant improvements were also made to the Council's external website during 2024 and 2025 to include a wealth of information relating to fraud and guidance on how fraud can be reported to the council. The website also provides members of the public and staff with the ability to report instances of suspected fraud directly to the Fraud Department. Further training has also been provided for Parking Services in respect of Blue Badge misuse resulting in a significant increase in detected misuse and abuse across the borough. Our Anti-Tax Evasion Policy, Anti-Money Laundering Policy and Anti-Fraud, Bribery and Corruption Policy have also recently been refreshed and updated, and fraud awareness training sessions 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. To date, a total of 7,478 data matches have been completed, with 6,983 of these data matches reviewed during the accounting year 2025-26. This has resulted in 19 frauds or errors being identified with a value of £34,504.68, all of which is recoverable. This sum is attributable to housing benefit, council tax reduction and creditor matches. 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 2024 for review in 2025. A total of 203 possible frauds or errors were identified equating to £96,934.51 of potentially recoverable funds. More detailed results relating to this exercise are included at **Annex 4** of **Appendix A**.

3.5 The Annual Report at **Appendix A** also provides details 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.

3.6 Suspected frauds can be referred directly to Internal Audit or the Senior Fraud Investigator for review during the year. This work can be generated in several ways, for example by whistleblowing, complaints referrals, by Managers who may have concerns over a certain issue or because of an audit review. During 2025-26, two frauds were identified, one of which resulted in a loss of £967.20 and one of which resulted in no financial loss to the Council but for which a prosecution is currently progressing through the Courts. More detailed results are included within **Table 3** of **Appendix A**.

3.7 Council Tax Reduction and incidental housing benefit savings of £42,764.15 were achieved as a result of fraud investigations concluded during 2025-26. 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.

3.8 Joint working was also undertaken during 2025-26 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 and Nature Implications

6.1 There are no climate change and nature 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. Recommendation

9.1 It is recommended that the Committee notes the Annual Corporate Fraud Report 2025-26, 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.

Background documents
None