Appendix A

ANNUAL CORPORATE FRAUD REPORT

2025-26

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REGIONAL INTERNAL AUDIT SERVICE /
GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL

Section 1 – Introduction

1.1 This report was prepared by the Council's Senior Fraud Investigator in conjunction with the Regional Internal Audit Service (RIAS).

1.2 The challenge presented to councils by fraud is significant. The Fighting Fraud and Corruption Locally Strategy *'A Strategy for the 2020s'* produced by local government, for local government, states that local authorities continue to face a significant fraud challenge. Over 3.3 million fraud cases were reported in the UK Public Sector in 2024, marking a rise of 12% year-over-year, with £1.17 billion stolen (*UK Finance Annual Report 2025*). According to the Crime Survey for England and Wales, fraud now represents 41% of all criminal activity, affecting an estimated 4 million individuals in 2024 (*NCA National Strategic Assessment 2025*). The latest comprehensive Annual Fraud Indicator, produced by Crowe, states that fraud in local government increased from an estimated £7.8bn in 2017, to £8.8bn in 2021-2022 and based on the Public Sector Fraud Authority's (PSFA) methodology, it is estimated that fraud and error cost the taxpayer £55 billion to £81 billion in 2023-24. According to the National Anti-Fraud Network (*Annual Report 2025*), the cost of fraud and error to Local Authorities alone, is estimated at £2.1 billion annually. It is reported that only a fraction of this is detected and known about – enabling investigation and recovery. Latest crime figures in England and Wales from the Office for National Statistics have revealed that fraud offences have increased by 19% (to 3.9 million offences) in the year ending September 2024.

1.3 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.

1.4 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.

1.5 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. The updated strategy for 2025-26 to 2027-28 was reviewed by the Governance and Audit Committee in April 2025 and endorsed by Cabinet in June 2025.

1.6 The current cost of living crisis has continued to have a major impact on everyone during 2025-26. One consequence has been that many organisations, including councils, are being targeted by an increase in potential scams. This growing trend has placed more importance on the roll out of fraud awareness which aims to ensure that staff are equipped to identify such threats and avoid becoming a victim of fraud.

Section 2 – Proactive Work

2.1 The 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. These steps to support continual improvement are shown at ***Annex 1*** and the progress that has been made against the headings is described below.

Fraud Risk Register

2.2 The Council can be exposed to fraud and corruption through a variety of internal and external sources. These include:

- Council Tax Reduction Scheme (including Discounts and Exemptions)
- Housing benefits
- Parking concessions (Blue Badge Scheme)
- Grants
- Procurement
- Contract Management
- Employees (For example: fraudulent claiming by employees of flexi, mileage expenses and misuse of corporate purchasing cards).

2.3 These areas and others can be regularly subject to attack by individuals / groups intent on committing fraud, which means that there is less money and resources available for those in genuine need. It is therefore important that the Council acknowledges the risk of fraud and undertakes an assessment on how it prevents, detects, and pursues monies or assets obtained fraudulently. Consideration should also be made as to how services that are more susceptible to fraud manage that risk.

2.4 A detailed fraud risk register has been produced which has been presented to the Governance and Audit Committee and was approved by Cabinet. It provides a robust tool to assist in ensuring resources are targeted correctly. The Fraud Risk Register is monitored by the Corporate Management Team on a quarterly basis and any significant risks identified will be escalated to the Corporate Risk Register, scored accordingly, and reported to the Governance and Audit Committee where necessary.

Policies

2.5 There are a number of Council policies in place to assist and support the raising of fraud awareness and to help tackle fraud, bribery, and corruption within the Council. These policies will dovetail and ensure that the public, Members, and staff have clear guidance on how to identify, and report suspected or known fraud, bribery, or corruption.

2.6 In January 2021 a new policy was drafted and added to the current suite to deal with Tax Evasion. The Governance and Audit Committee approved an updated version of this policy in April 2025. The Anti-Money Laundering Policy and Anti-Fraud, Bribery and Corruption Policy were also reviewed and updated and approved by the Governance and Audit Committee in June 2025 prior to their approval by Cabinet.

2.7 Below are some of the relevant policies currently in operation which assist in the overall fraud awareness strategy.

- Whistleblowing Policy
- Anti-Fraud, Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Anti-Tax Evasion Policy
- ICT Code of Conduct
- Financial Procedure Rules
- Grants Financial Management Policy
- Various HR policies

Develop Fraud Awareness

2.8 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. Reports can also be made via My Account.

2.9 The steps to support continual improvement state that alerts will be provided to staff and Members across the Council, to raise awareness when notification of a potential fraud, relevant to their service area, is received. When warnings are received from the National Anti Fraud Network or other relevant organisations, they are shared with those departments affected, and schools where necessary to ensure they are aware of any potential threats. In addition, when the Council receives information from outside organisations concerning potential fraud that may have a direct consequence to members of the public or staff, this information is shared with the Communications Team to ensure details are published on the Council's social media platforms.

2.10 Fraud awareness training continues to be delivered by the Senior Fraud Investigator. During 2025-26 training was delivered to staff within Benefits, Council Tax, Creditors, Payroll and Customer Services. Fraud awareness also continues to form part of the induction process for all new Benefits staff. A fraud awareness training session was presented to all existing Members in September 2025. Fraud awareness training for library staff and those employed at Council Information Points across the Borough is also planned for June 2026.

Training

2.11 A Fraud Prevention e-learning module has been developed to support the Anti-Fraud, Bribery and Corruption, Anti-Money Laundering, and other relevant policies that have been approved by Cabinet. The Council promotes a zero-tolerance approach to fraud and corruption and the training will enhance staff and Members understanding of how fraud may occur, encourage prevention, and promote detection of suspicious activities. This will enable staff and Members to act with integrity and to respond effectively when incidents do occur. The e-Learning module is available to all staff and Members and all staff are recommended to complete the module.

Data Analytics

2.12 Data analytic tools and techniques continue to be developed to enable data held within the financial systems to be extracted and analysed. This enables increased testing within planned audits and has provided an opportunity to identify any trends that may be occurring.

Section 3 – National Fraud Initiative Data Matches 2025-26

3.1 The National Fraud Initiative (NFI) is included as one of the steps to support continual improvement to reduce fraud. This is a biennial exercise coordinated by the Cabinet Office across the UK, and by Audit Wales in Wales, whereby data is extracted from the Council's systems. This data is matched against data submitted from other bodies such as other Local Authorities, Department for Work and Pensions (DWP), His Majesty's Revenue & Customs (HMRC), NHS & Trusts, Police and Housing Associations etc. across the UK. It is important to note that where a match is found, it is not in itself evidence of a fraud; it may be an error or an inconsistency that requires further investigation.

3.2 Internal Audit, together with the Council's Senior Fraud Investigator, facilitate the upload of data and user account management and provide assistance, training and advice to officers reviewing the data matches.

3.3 The current data matching exercise began in October 2024 with data being extracted and forwarded to the Cabinet Office. The resulting matches were released to the Council in December 2024 and are due for finalisation and completion during October 2026. Initially a total of 8,196 matches across areas including housing benefit, council tax reduction scheme, payroll, blue badges, creditors, and licensing were identified. A further 16 matches were released in December 2025 as a result of new projects undertaken by the NFI team where data was matched with additional organisations.

3.4 To date, a total of 7,478 data matches, released as part of the latest exercise, have been completed. A total of 6,893 of these data matches were reviewed during the accounting year 2025-26 and this has resulted in 19 frauds or errors being identified with a value of £34,504.68, all of which is recoverable. Table 1 summarises the results and more details are provided in ***Annex 2***.

Table 1 – National Fraud Initiative Data Matching Exercise Results 2025-26

Type	Fraud/ Error Number	Fraud/ Error Value	Recoverable	NFI Estimated Savings*
Housing Benefit	1	£1,564.48	£1,564.48	£1,003.40
Council Tax Reduction Scheme	10	£19,700.73	£19,700.73	£6,328.16
Creditors	8	£13,239.47	£13,239.47	£0.00
Total	**19**	**£34,504.68**	**£34,504.68**	**£7,331.56**

*Refer to paragraph 3.6

3.5 The next biennial NFI data matching exercise will be due to commence in October 2026 when data will once again be extracted and forwarded to the NFI. These new matches are due for release in January 2027.

3.6 NFI estimated savings are a Cabinet Office defined methodology, which predicts the potential or projected loss if the fraud/error had not been identified. Audit Wales also publish the estimated savings in their fraud related reports. It is not ‘real’ money to the Council and cannot be reflected in bottom line savings. **Annex 3** provides a summary of the Cabinet Office estimated savings methodology.

Single Person Discount (SPD)

3.7 The NFI also produce an annual exercise relating to SPD, generated from the Council Tax system. These matches highlight where there may be more than one adult at a property currently in receipt of SPD.

3.8 In total 9,059 households were produced for review during 2025. The review of these data matches resulted in 203 frauds or errors being identified. Table 2 summarises the results and more detail is provided in **Annex 4**.

Table 2 – NFI Single Person Discount Results 2025

Type	Fraud/ Error Number	Fraud/ Error Value	Potentially Recoverable	NFI Projected Savings
Single Person Discount	203	£96,934.51	£96,934.51	£152,629.18

3.9 Further SPD data was extracted and forwarded to the NFI in December 2025, and these matches were released for review in January 2026. In total a further 3,755 matches have been produced for investigation during 2026, and work has commenced on these. It is possible that further matches will be released to the council as the exercise progresses as a result of new projects undertaken by the NFI team where data is matched with additional organisations.

3.10 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 was reviewed by the Governance and Audit Committee in September 2025, as part of the Annual Corporate Fraud Report 2024-25.

Section 4 – Counter Fraud & Corruption Work

4.1 Internal Audit is a statutory requirement within Local Government. The Council's internal audit provision is undertaken by the Regional Internal Audit Service, a partnership shared service between Bridgend County Borough Council, Merthyr Tydfil County Borough Council and the Vale of Glamorgan Council, which is the host authority.

4.2 Under the Global Internal Audit Standards (GIAS), internal auditing plays a critical role in enhancing an organisation's ability to serve public interest. While the primary function of internal auditing is to strengthen governance, risk management and control processes, its effects extend beyond the organisation. Internal auditing contributes to the organisation's overall stability and sustainability by providing assurance on its operational efficiency, reliability of reporting, compliance with laws or regulations, safeguarding of assets, and ethical culture. This in turn fosters public trust and confidences in the organisation. It is widely recognised that effective internal audit is good practice and provides support to the Council's Section 151 Officer in discharging their responsibilities as contained in legislation.

4.3 The Head of Internal Audit provides an annual report, which gives an overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control based on the audit work undertaken during 2025-26.

4.4 The Head of Internal Audit's annual opinion for 2025-26 for Bridgend was "Reasonable Assurance" with no significant cross-cutting control issues identified that would impact on the Council's overall control environment. This opinion statement was considered by the Governance and Audit Committee on 18th June 2026 and is included with the Council's Annual Governance Statement.

4.5 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, complaint referrals, by Managers who may have concerns over a certain issue or because of an audit review. During 2025-26, two frauds were identified and these are listed in Table 3 below.

Table 3 – Counter Fraud & Corruption

Counter Fraud & Corruption Work	Outcome
A Comprehensive school paid a supplier £967.20 that they had previously used for goods they never received – the suppliers bank details had also been changed	Schools have been reminded of the processes to follow in relation to payments to minimise the risk of any attempted or actual fraud. The individual school will be visited by Internal Audit to review the processes in place and strengthen controls.
Attempts to pay Council Tax via fraudulent cheques	These were identified and there has been no financial loss to the Council. (see para 4.20)

4.6 As a result of the current cost of living crisis, there has been an increase in the number of scams in existence. All staff, as well as residents, are made aware of these by information being circulated through the Council's Communication Team or via the Council's Senior Fraud Investigator. For example, information relating to fake invoices and purchase orders is sent to the Creditors and Procurement Team, information relating to employment fraud is shared with the Council's Human Resources and Payroll Department and any potential fraud that could have a direct impact on schools is shared directly with them. Any information received relating to scams that could have a direct effect on the public, for example a recent case of a fake job advertisement site displaying vacancies at the council in an attempt to harvest personal information, and recent parking scams involving fake parking charge notices (PCNs) and text message alerts, are publicised internally to staff, but also externally on the Council's social media channels and via the local media where necessary. This ensures that both staff and the public are aware and reminds them to remain vigilant.

Council Tax Reduction (CTR) Fraud

4.7 In 2015, investigation work for Housing and Council Tax Benefit transferred to the Department for Works and Pensions (DWP) Single Fraud Investigation Service (SFIS) but the responsibility to provide support for council tax, and the funding associated with it, was devolved to the Welsh Government.

4.8 The Council's Fraud Investigation department, based on information received regarding claimants' circumstances, undertakes investigations in respect of cases of fraud in CTR. Table 4 below, illustrates the source of fraud referrals received during the period 2025-26 in comparison with 2024-25.

Table 4 – Source of Referrals

Source of Referrals	2025-26	2024-25
NFI	7	13
Benefit/Taxation Staff	5	13
HBMS* data match	0	0
Department of Work and Pensions (DWP)	4	6
Claim Review	1	8
Anonymous (letter/telephone/email)	42	28
Verify Earnings and Pensions (VEP) alerts**	1	1
Other organisation/department	1	3
BCBC Website	89	75
Total	**150**	**147**

*DWP Housing Benefit Matching Service **A data match with HMRC

4.9 A large proportion of the referrals received related to DWP benefits or housing benefits, and consequently these were forwarded to DWP's Single Fraud Investigation Service (SFIS) to investigate. Fraud referrals are normally forwarded to SFIS in the following circumstances:

- The referral relates to the entitlement to a DWP benefit such as Income Support, Jobseeker's Allowance, Employment and Support Allowance or Universal Credit
- The Housing Benefit overpayment is expected to exceed £5,000 (the DWP's threshold for criminal action)
- It is in the public's interest that a prosecution should result.

4.10 During 2025-26 the Council's Fraud Investigation department referred 48 cases to DWP's Single Fraud Investigation Service (SFIS) to investigate.

4.11 Table 5 illustrates a breakdown of the types of allegations of council tax reduction / benefit fraud that were referred to the Fraud Investigation department during the period 2025-26 in comparison with 2024-25.

Table 5 – Type of Allegation

Type of Allegation	2025-26	2024-25
Undeclared income	18	31
Undeclared increase in income	0	6
Undeclared capital/savings/property	15	15
Living together	54	45
Non-residency	14	12
Discrepancy – non-dependant	10	12
Discrepancy – household occupants (e.g., SPD*)	8	4
Other (e.g., DLA**/Tax Credits/Contrived/UC***)	31	22
Total	**150**	**147**

*Single person discount ** Disability Living Allowance ***Universal Credit

4.12 During 2025-26, 108 cases were closed. The closure categories are detailed in Table 6 below alongside the figures for 2024-25 for comparison.

Table 6 – Reason for Closure

Reason for closure	2025-26	2024-25
No fraud	1	1
Not investigated	95	79
Fraud proven*	12	14
Total	**108**	**94**

*i.e., sufficient evidence to instigate legal proceedings

4.13 Cases closed but not investigated either lacked sufficient details to instigate an investigation, or there was no evidence of fraud (e.g. the person was not claiming benefits).

4.14 Table 7 below provides the Council Tax Reduction and incidental housing benefit savings that have been achieved as a result of the fraud investigations concluded during 2025-26 in comparison with 2024-25. The table illustrates that over a two-year period total savings of £120,752.11 have been achieved.

Table 7 – Savings Achieved

Savings	2025-26	2024-25
CTR excess reduction	£29,736.23	£31,370.97
Future CTR saving	£6,022.24	£8,436.45
Housing Benefit	£7,005.68	£38,180.54
Total	**£42,764.15**	**£77,987.96**

4.15 Once a case has been closed as fraud proven and the CTR adjustment (known as an excess reduction) is calculated, the case is referred to the Benefits and Financial Assessments Manager to determine whether a sanction is appropriate. The sanctions available to the Council are prosecutions, issuing a financial penalty or a fine.

4.16 The level of a financial penalty, which is offered as an alternative to prosecution, is prescribed in the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013. The amount of the penalty is 50% of the amount of the excess reduction subject to a minimum amount of £100, and a maximum amount of £1,000. As an alternative to this type of penalty fines may be issued as follows:

- £100 – may be offered as an alternative to prosecution for acts or omissions that could have led to an incorrect award of CTR.
- £70 – may be imposed for:
    - an incorrect statement, information or evidence that leads to a CTR award that is greater than entitlement; or
    - a failure to notify of a change in circumstances meaning that a CTR award is greater than entitlement.

4.17 Table 8 illustrates the penalties and fines issued and also provides information on the number of successful prosecutions during 2025-26 in comparison with 2024-25.

Table 8 – Successful Sanctions

Successful sanctions	2025-26	Amount	2024-25	Amount
Prosecutions	0	N/A	1	N/A
Penalties	11	£10,474.28	10	£6,844.38
Fines	1	£70.00	1	£70.00
Total	**12**	**£10,544.28**	**12**	**£6,914.38**

4.18 In addition to the penalties and fines, administration penalties are raised on behalf of the DWP, following their investigations into claims for Housing Benefit and Council Tax Benefit. The fraud department also provides assistance to the DWP throughout their investigations. Information and advice is given in respect of the Housing benefit and CTR that has been claimed.

CTR Prosecutions 2025-26

4.19 One CTR investigation, undertaken by the Senior Fraud Investigator, was prepared for review by the Council's legal team during 2025-26, and put forward for prosecution. The case involved the failure of a person in receipt of Council Tax Reduction to declare secondary employment and a significantly higher income. The case was listed for a first hearing date in June 2026. A successful prosecution was obtained in respect of this case, with the defendant pleading guilty to two charges under the Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (Wales) Regulations 2013. Further details in respect of this outcome will be provided in the Annual Corporate Fraud Report 2026-27.

4.20 A further investigation, undertaken by the Senior Fraud Investigator in the early part of 2026, was also prepared for review by the Council's legal team and put forward for prosecution. The case involved fake cheques received by the council from a resident of the borough, in an attempt to pay their Council Tax charge. The case was listed for a first hearing date in June 2026 and further details in respect of this case and the respective outcome will also be provided in the Annual Corporate Fraud Report 2026-27.

Blue Badge Misuse

4.21 The Council's Fraud Department undertakes work on blue badge fraud and misuse and, during 2025-26, 40 reports were received. Of these: -

- 28 of these reports involved people dishonestly displaying another person's badge or using a badge that they were not entitled to
- 5 of these reports related to false applications being made to apply for a badge
- 1 of these reports related to a deceased persons badge still in use
- 1 of these reports related to an expired badge still in use
- 2 of these reports related to the use of a badge that had previously been reported as lost by the badge holder
- 3 of these reports related to a vehicle that was parked in a disabled space and not displaying a blue badge

Lack of evidence resulted in 20 of these cases being closed, with no further enforcement action taken.

4.22 Twenty of these cases were taken forward for further investigation and of these: -

- 1 case was closed with the badge permanently withdrawn from the person and securely destroyed
- 12 cases were closed with an Official Formal Warning being issued to the badge holder and/or the person found to be misusing the badge
- 3 cases were closed following a written statement being taken from the badge holder
- 4 cases are still ongoing, one of which was taken forward for prosecution and more information in respect of this is provided in paragraph 4.27.

4.23 Specialist training was provided to the Council's Civil Enforcement Officers and Parking Manager in May 2023 with further training provided as and when required. This will enable them to correctly identify and deal with potential blue badge misuse at street level. During the accounting year 2025-26 the Council's Fraud Department saw a significant increase in referrals relating to blue badge fraud and misuse as a result of this training. It is the intention of the Council's Fraud Department to work jointly with the Parking Services Department to conduct regular enforcement days, and fraud drives within the County Borough.

4.24 The Council's Fraud Department, in conjunction with the Parking Services Department are also active participants in the Annual National Blue Badge Day of Action. Any cases of misuse identified are taken forward by the Fraud Department for investigation and, where appropriate, official formal warnings issued, and prosecutions instigated against offenders. During the 2025 day of action, which took place in May 2025, a total of 111 blue badges were checked across the borough. Over the course of the day 2 badges were permanently withdrawn and securely destroyed as they had expired, and 4 parking charge notices (PCNs) were issued in respect of misuse or abuse of the Blue Badge scheme. One case was also taken forward for prosecution with more information in respect of this is provided in paragraph 4.27. For 2026, the Annual National Blue Badge Day of Action will be rebranded as the National Blue Badge Awareness Week and is planned to be a week-long event. It is due to take place at the end of May 2026 and further information, and the results from this event, will be provided in the Annual Corporate Fraud Report 2026-27.

4.25 In response to an increase in Blue Badge misuse across Wales, Welsh Government has a vision for a consistent approach to blue badge enforcement and are actively looking into funding options to support local authorities in this work. The outcome of their research will help shape the progression of this area of work within Bridgend County Borough Council. Blue Badge training events, organised and paid for by Welsh Government, were arranged across Wales in 2024 with further training events planned for 2026. Invitations will be sent to local authorities for both Parking Services and Fraud Investigation teams to attend, allowing them to refresh their knowledge in this area of work. Work is also ongoing, within the Department for Transport to look at alternative sanctions in respect of blue badge misuse and abuse to include Fixed Penalty Notices (FPNs) however progress in this area is likely to take some time.

Blue Badge Prosecutions 2025-26

4.26 One Blue Badge investigation, undertaken by the Senior Fraud Investigator, led to a successful prosecution in 2025-26. The case involved the use of a blue badge by a person who was not the badge holder, where the badge had previously been reported as lost, and was subsequently cancelled. The defendant entered a not guilty plea in Court in December 2024, and the case was listed for trial in June 2025. A successful prosecution was obtained in respect of this case, with the defendant pleading guilty to one charge under the Fraud Act 2006. The court imposed on the defendant a fine of £816 and ordered them to pay costs of £5,080 and a £326 victim surcharge.

4.27 A further Blue Badge investigation, undertaken by the Senior Fraud Investigator, was also prepared for review by the Council's legal team during 2025-26, and put forward for prosecution. The case originated from the National Blue Badge Day of Action that took place during May 2025 and involved the use of a blue badge by a person who was not the badge holder, where the badge had previously expired. The case has been listed for a first hearing at Court in June 2026 and further details in respect of this prosecution will be provided in the Annual Corporate Fraud Report 2026-27.

The Fraud Department

4.28 The Council will always publicise successful prosecutions undertaken by the Fraud Department via media release, and on our social media channels. This will both act as a deterrent and encourage people to come forward to report fraud.

4.29 The Fraud Department consists of two members of staff; the Senior Fraud Investigator and one Fraud Investigator. The team is responsible for dealing with fraud issues across the council and therefore has limited capacity. Despite this however, the team continues to produce positive results and savings for the council.

Section 5 – Joint Working & Partnerships

5.1 Bridgend County Borough Council became part of a joint counter fraud initiative with SFIS in April 2019. During 2025-26, there were no cases suitable for joint working that could be sent to SFIS by the Council.

During 2025-26, SFIS has referred a number of cases to the Council. Of these:

- Three cases were closed due to lack of evidence.
- One case is still ongoing and is currently being prepared for review by The Crown Prosecution Service (CPS) with a view to the case being put forward for prosecution.

- One case, referred to the Council in a prior year, is still being assessed by CPS with a view to the case being put forward for prosecution action.
- One case, referred to the Council in a prior year, is currently awaiting an overpayment calculation following submission to a Decision Maker (DM).

5.2 The Council is an active member of the Wales wide network of Local Authority Fraud Investigators, which provides the opportunity to share knowledge, intelligence, and best practice. The group has been meeting virtually during 2025-26 and various training sessions have also been arranged and provided to the group, by relevant organisations throughout this period. The Council is also an active member of the National Anti-Fraud Network who, amongst other things, provide the Fraud Department with regular weekly bulletins on the latest fraud threats and trends.

5.3 The Council has a good working relationship with the Police and other outside agencies which all share information and intelligence. In addition, as new grants and emergency financial packages have become available, due to the current cost of living crisis, intelligence, procedures, local risks, and threats have been shared with other local authorities to actively try to prevent fraudulent claims.

5.4 In addition, a strong working relationship exists with fraud colleagues in Merthyr Tydfil and the Vale of Glamorgan Council, and this collaborative working is beneficial to all parties.

Section 6 – National Studies

6.1 During 2019-20, the Council took part in a national study, the objective being to review the effectiveness of counter fraud arrangements in the Welsh public sector. Information including policies, resources, and good practice in respect of counter fraud work was provided which was supplemented by more in-depth questioning and information gathering by Audit Wales.

6.2 The resulting Audit Wales report, *‘Raising Our Game - Tackling Fraud in Wales’* was published in July 2020 and is the latest report that has been produced. The report and any recommendations, along with the *‘Fighting Fraud and Corruption Locally a Strategy for the 2020’s’* guidance has been fully considered and integrated into the new and updated Fraud Strategy and Framework for 2025-26 to 2027-28.

Annex 1

Steps to Support Continual Improvement

	Action
1	Maintain a fraud risk register, which is reviewed quarterly by the Corporate Management Board. Any significant risks identified will be escalated to the Corporate Risk Register and reported to the Governance and Audit Committee
2	Ensure there is a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing, and responding to fraud risks.
3	To be an active participant in the bi-annual National Fraud Initiative (NFI) exercise and to robustly investigate suspected cases of fraud identified through NFI. The Senior Fraud Investigator is responsible for the co-ordination of the exercise including ensuring that the data sets comply with specification and are securely uploaded to the Cabinet Office. Management is responsible for the review of matches that are returned and for referring suspicions of fraud and corruption to the Senior Fraud Investigator.
4	Raise awareness of fraud, bribery, and corruption by delivering a fraud awareness training programme for Members and Officers and provide ongoing fraud awareness training as required.
5	Produce an annual Corporate Fraud report to those charged with governance covering all reactive and proactive fraud initiatives.
6	Undertake welfare benefit investigations (including joint cases with the Department for Work and Pensions (DWP)), recommend the relevant sanction and the recovery of overpaid benefit.
7	To maximise the use of data analytics and data matching to review electronic data to detect and prevent fraud.
8	To provide alerts to staff and Members across the Council when notification of a potential fraud, relevant to their service area, is received. When notification of a potential fraud is received that may impact the public, details are passed to the Communications Team to arrange suitable media coverage.

	Action
9	To actively maintain the Council's membership of the Welsh Fraud Officers Group and The Chartered Institute of Public Finance and Accountancy (CIPFA), which provides training and intelligence regarding new and emerging fraud risks. Also to maintain all other links to enforcement partners including the Police, DWP and HM Revenue & Customs, and to be open to new and innovative anti-fraud projects.
10	To produce fraud investigation outcome reports for management which highlight the action taken to investigate the fraud risks, the outcome of the investigations e.g., sanction, and recommendations to minimise future risk of fraud.
11	To provide a clear and concise point of reference for necessary information on fraud, maximising the potential of digital, to enhance the user experience. To maintain the fraud internet/intranet pages and ensure they are kept up to date and provide a means to refer cases of suspected fraud directly to the Fraud Investigation department.

Annex 2

National Fraud Initiative Data Matching Exercise Results Breakdown 2025-26

NFI	Type / Area	NFI	Frauds/ Errors	Fraud/Error Amount	Recoverable	NFI Projected Savings
2	Housing Benefit Claimants to Student Loans	Yes	1	£1,564.48	£1,564.48	£1,003.40
			1	**£1,564.48**	**£1,564.48**	**£1,003.40**
436.1	Council Tax Reduction Scheme to Pensions	Yes	1	£5,202.65	£5,202.65	£1,119.36
450	Council Tax Reduction Scheme to Housing Tenants	Yes	1	£264.14	£264.14	£210.00
483.1	Council Tax Reduction Scheme to HMRC Earnings and Capital	Yes	1	£3,576.75	£3,576.75	£458.40
483.2	Council Tax Reduction Scheme to HMRC Household Composition	Yes	7	£10,657.19	£10,657.19	£4,540.40
			10	**£19,700.73**	**£19,700.73**	**£6,328.16**
707	Duplicate Records by Reference, Amount and Creditor Reference	Yes	7	£11,719.43	£11,719.43	£0.00
708	Duplicate Records by Amount and Creditor Reference	Yes	1	£1,520.04	£1,520.04	£0.00
			8	**£13,239.47**	**£13,239.47**	**£0.00**
		Totals	**19**	**£34,504.68**	**£34,504.68**	**£7,331.56**

Colour Coding:
Recoverable by DWP over an undefined period
Recoverable by BCBC over an undefined period
Recoverable by BCBC over an undefined period
Cabinet Office projected savings during financial year

Annex 3

Cabinet Office Estimated Savings Methodology

Data Match	Estimated Savings Methodology
Housing Benefit	Weekly benefit reduction multiplied by 29 weeks. Aligned with the DWP ‘Future Overpayments Prevented’ (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected and takes into account detection and recovery rates.
Council Tax Reduction	Weekly benefit reduction multiplied by 40 weeks. Aligned with the DWP ‘Future Overpayments Prevented’ (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected and takes into account detection and recovery rates.
Welfare Benefits	Weekly benefit reduction multiplied by 29 weeks. Aligned with the DWP ‘Future Overpayments Prevented’ (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected and takes into account detection and recovery rates.
Pensions	**Deceased Pensioners:** Annual pension multiplied by the number of years until the pensioner would have reached the age of 85 (ONS life expectancy for an individual over 65). If the pensioner is 85, a one-year multiplier is applied.
Blue Badges	£794 per blue badge cancelled to reflect lost parking and congestion charge revenue. **Estimate considers:** ● the average reported cost per badge per year due to badge misuse ● the prevalence of fraud - proportion of blue badges that are likely to be misused ● the duration for which fraudulent use of the blue badge may continue undetected
Concessionary Travel	£38 per concessionary pass cancelled, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme. **Estimate considers:** ● the cost of concessionary journeys made ● costs associated with card administration

Data Match	Estimated Savings Methodology
	● the duration for which fraudulent use of the pass may continue undetected ● the prevalence of fraud - proportion of passes that are likely to be misused
Housing Tenancy	£78,300 per property recovered. £51,460 per property recovered in Northern Ireland **Estimate considers:** • annual cost of temporary accommodation £12,000 (£7,670 for Northern Ireland) • duration for which fraudulent tenancy may continue undetected - 6 years; this constitutes the fraud occurring for 3 years at point of detection and a further 3 years forward savings for the expected time it would have continued • other non-recoverable costs including legal costs to recover property; re-let cost.
Right to Buy	**This estimate has the following regional variations:** • England (excluding London) £102,400 per application withdrawn to reflect average house prices and the maximum value of Right to Buy discount available for properties in England. • London: £136,400 per application withdrawn to reflect average house prices and the maximum value of Right to Buy discount available for London properties. • Northern Ireland: £24,000 per application withdrawn based on average house prices and Right to Buy discounts in Northern Ireland
Housing Waiting Lists	£4,283 per individual removed from the Housing Waiting List **Estimate Considers:** ● the annual cost of housing a family in temporary accommodation (12.1K) ● the likelihood a waiting list case would have been provided a property ● the duration for which a fraudulent case may continue undetected
Council Tax Single Person Discount	Annual Council Tax discount multiplied by 2 years
Payroll	£6,054 per standard case **Estimates consider:** • cost of individuals working at a different body while in receipt of sick pay from primary employer • failure for an individual to meet contractual obligations at one body due to multiple employment and conflicting obligations.

Annex 4

Single Person Discount 2025

NFI	Type / Area	NFI	Frauds/ Errors	Fraud/Error Amount	Recoverable	Cabinet Office Projected Savings
801	Council Tax to Electoral Register (SPD)	Yes	125	£80,033.95	£80,033.95	£112,062.76
802	Council Tax rising 18s (SPD)	Yes	78	£16,900.56	£16,900.56	£40,566.42
		Totals	203	£96,934.51	£96,934.51	£152,629.18

Colour Coding:
Recoverable by BCBC over an undefined period.
Cabinet Office projected savings during financial year *(SPD saving based on 2 years)*.

Data Match	Basis of Calculation of Estimated Savings
Council Tax SPD	Annual value of the discount cancelled multiplied by two years