


# Counter Fraud Progress Report 2024/25

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APPENDIX 2

## CONTENTS

- 3** Background
  - 3** Counter Fraud Management
  - 3** Multi-Agency Work
  - 4** Investigative Work
- 



## BACKGROUND

- 1 Fraud is a significant risk to the public sector. The Public Sector Fraud Authority estimated that between £39.8 and £58.5 billion of public spending was lost to fraud in 2021/22<sup>1</sup>. Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. The counter fraud team investigate allegations of fraud, plan and take part in counter fraud campaigns (eg the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the Council's counter fraud framework and associated policies.
- 3 This report updates the Audit Committee on counter fraud activity in 2024/25.



## COUNTER FRAUD MANAGEMENT

- 4 Veritau leads a counter fraud working group which aims to increase awareness of adult social care fraud by sharing best practice on how to detect, deter, and investigate it. Findings of the group were presented to the National Association of Financial Assessment Officers conference in October.
- 5 The counter fraud team raise awareness of cybercrime each year as part of cybersecurity awareness month in October. With the help of the Council's communication team information about phishing, spear-phishing, and whaling was disseminated. Council employees were encouraged to exercise caution when opening attachments and clicking on links contained in emails. According to Deloitte, 91% of all cyber attacks originate from a phishing email in somebody's mailbox. Members of staff were also made aware that cybercriminals may try to impersonate senior officers within the Council to pressure employees to make payments.
- 6 In 2024/25 the team have raised awareness of the whistleblowing policy amongst all staff and provided sessions specifically for managers on how to address concerns raised by members of their teams. Counter fraud training has also been provided to officers working in adult social care.



## MULTI-AGENCY WORK

- 7 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The counter fraud team ensures that the Council meets government datamatching requirements and best practice.

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<sup>1</sup> [Cross Government Fraud Landscape Report 2021-22](#), Public Sector Fraud Authority

Data from council departments has been gathered and securely sent to the PSFA in October. Matches are expected to be returned in late December.

- 8 An annual targeted datamatching exercise by the NFI is also currently underway. All councils are required to send details of residents claiming single person discounts to the NFI which will be used to identify potentially fraudulent claims. Data will be sent by mid-January with matches expected to be returned shortly afterwards.
- 9 Following discussions with the Department for Work and Pensions (DWP) new joint working arrangements are now in place. The counter fraud team began working alongside the DWP in September. Officers from the DWP and the counter fraud team jointly investigate instances of fraud where it affects both organisations. The team are also processing requests from the DWP providing information relevant for their investigation of benefit fraud.

## INVESTIGATIVE WORK

- 10 Between 1 April 2024 and 15 November 2024, the counter fraud team have received 77 referrals of suspected fraud. Twenty-two investigations have been completed this year and there are currently 26 cases under investigation. Eight people have received formal warnings for fraud relating to the council tax reduction scheme, council tax discounts, business rates, and use of blue badges. One person has been referred to the Home Office for possible immigration offences. Financial loss to the Council was identified in a further four investigations and information was provided to the Legal Department in two debt evasion cases.
- 11 Investigative work in 2024/25 has helped identify £83k of loss due to fraud, error and debt evasion. The counter fraud team supports the Council to recover losses identified as part of investigations. Counter fraud savings<sup>2</sup> are tracked by monitoring repayments to the Council and calculating the value of stopping ongoing frauds. To date £136k of counter fraud savings have been identified, which is twice the amount found in 2023/24.

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<sup>2</sup> Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year) and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.