

Committee:	Cabinet	Date:
Title:	Counter Fraud Annual Report 2024-25	Thursday, 8 May 2025
Report Author:	Philip Honeybone, Audit Manager phoneybone@uttlesford.gov.uk	
Portfolio Holder:	Councillor Petrina Lees, Leader of the Council	Key Decision: No

Summary

1. Public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. The Council set up a Counter Fraud Working Group (CFWG) to oversee the counter fraud activity within the Council and to drive improvements.
2. The 2022 Counter Fraud Strategy was approved by the Governance Audit and Performance Committee (GAP) in March 2022 with a corresponding action plan outlining how the strategy will be delivered. An updated action plan was approved by Audit and Standards Committee
3. This report summarises provides an update on the Council's counter-fraud activity to date and extends the action plan to 2026.

Recommendations

4. Cabinet is requested to note the content of this report prior to its submission to Audit and Standards Committee on 29 May 2025.

Financial Implications

5. None.

Background Papers

6. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - Counter Fraud & Corruption Strategy 2022 and Action Plan (GAP, 30 March 2022)
 - Counter Fraud Update and Plan 2024-26 (Audit and Standards Committee 28 November 2024)

Impact

- 7.

Communication/Consultation	The status of the counter-fraud action plan and plans for reviewing the national fraud initiative data matches were discussed by the Counter Fraud Working Group on 4 April 2025 and CMT noted the update on 16 April 2025.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	The Council aims to minimise the risk of fraud and corruption (as defined in law) and its impact.
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

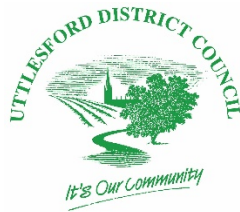
8. In March 2022, the Governance, Audit and Performance Committee (GAP) approved the Counter Fraud Strategy and Action Plan 2022-24. The refresh of the action plan was presented to Audit and Standards Committee in November 2024. This plan has been reviewed and minor adjustments made in light of Local Government Review.
9. This report summarises the counter-fraud activity that has been undertaken by the Council in 2024/25 including status updates on potential irregularities reported to / identified by the Council and the current status of data matching exercises.

Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
Successful attempts of fraud and/or corruption may lead to significant financial loss, service disruption and/or reputational damage.	2	3	Delivery of actions in Action Plan to support the Council's Counter Fraud Strategy which aligns to Fighting Fraud and Corruption Locally best practice and strengthens the Council's resilience against fraud.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



Counter Fraud Annual Report 2024-25

1. Purpose of Report

This report summarises the counter-fraud activity in the 2024-25 financial year. The Counter-Fraud Working Group (CFWG) oversee the delivery of the strategy and action plan.

2. Counter Fraud Strategy and Action Plan

Public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management. The Counter Fraud Strategy was approved by the Governance Audit and Performance Committee (GAP) in March 2022.

This was reviewed by the Counter-fraud working group during the year. The guidance and legislation that underpins the Council's response to its fraud risks remain unchanged. As a result, the 2024-26 counter fraud strategy retains the same five pillars of activity as in previous years:

- Govern
- Acknowledge
- Prevent
- Pursue
- Protect

An updated counter-fraud action plan was presented to the Audit and Standards Committee in November 2024. This has been refined following the Local Government Review triage process. The current status of all items is shown in appendix 1.

3. National Anti-fraud Network

As part of its subscription to the National Anti-fraud Network (NAFN), the Council receives intelligence alerts regarding fraudulent activity against other public sector organisations that NAFN believes might be perpetrated elsewhere. This informs the assessment of fraud risk faced by the Council. Each alert is passed on to the relevant department within the Council.

In 2024/25, UDC received 41 alerts, with creditors, payroll and council tax systems being targeted most frequently. NAFN alerts show that impersonation was a common method for attempting to commit fraud. All alerts for payroll fraud related to career polygamy, where an individual worked simultaneously for multiple authorities.

4. NFI 2024/25

Every two years, the Cabinet Office runs the National Fraud Initiative (NFI) which matches electronic data within and between public and private sector bodies to prevent and detect fraud. There is also an annual NFI matching exercise that matches Council Tax and Electoral Registration data.

The Council received 3333 matches across the two matching exercises in December 2024 and January 2025, 80% of which relate to Revenues and Benefits.

The Council has not found significant fraud in reviewing previous NFI matches, but that does not mean we should be complacent. The Council has started reviewing the matches and have a plan that will see all matches reviewed by the end of October 2025. The outcomes will be reported to November's Audit and Standards Committee.

5. Whistleblowing and Fraud Reporting

The Council's online fraud reporting tool went online in May 2024. Members of the public now have a single form through which they can report any suspicious activity. These are received and recorded by Internal Audit before being sent to the relevant department for review.

Reporting fraud, bribery and corruption - Uttlesford District Council

In the period May 2024 to March 2025, there had been 30 reports of suspected fraud by members of the public, including one passed on by Essex County Council. Of these, six were duplicate referrals. The following table summarises the referral by fraud type and status:

Fraud Type	Closed (no action)	Closed (DWP referral)	Closed - Recovery	Ongoing	Total	Recovery
Business Rates	0			1	1	
Council Tax	6	2	4	1	13	£1608
Housing Benefit	3	1			4	
Tenancy Fraud	3			3	6	

In addition to the National Fraud Initiative, the Council has shared electoral roll, council tax and housing benefit data with other Essex District Councils since 2018. UDC receives approximately 500 matches a month from this data sharing agreement. A total of 524 irregularities have been identified and reviews have identified additional income of £122,581 and £910 in fines.

In addition to the data matching exercises and the fraud reporting tool, potential fraud may be captured during visits to properties or from telephone calls from tenants on repairs and tenancy matters. A new system is being put in place to record these for the 2025/26 financial year. Future reporting to Audit and Standards Committee will include details of these cases.

UDC's email management system (Mimecast) filters all emails received by the Council and holds suspicious emails (including impersonation attempts) pending review by the intended recipient. It is not possible to produce meaningful statistics directly from this filtering due to the number of false matches. However, some recipients report impersonation emails to the ICT helpdesk. These will be included in fraud reporting statistics for 2025/26.

The Head of Legal confirmed the whistleblowing policy was not used in the 2024-25 financial year and Human Resources have confirmed there have been no internal investigations for financial irregularity in the same period. One fraud for £34,700 was identified by Finance staff in the financial year. This was reported to audit and Standards Committee in November 2024.

6. Transparency Code

The local government transparency code (2015) requires all local authorities to publish certain information, to ensure that they are open and transparent. This includes information on its counter-fraud activities.

Transparency Code Requirement	Service Data
Number of occasions we use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers	0
Total number (absolute) of employees undertaking investigations and prosecutions of fraud	2
Total number (full time equivalent) of employees undertaking investigations and prosecutions of fraud	1.6
Total number (absolute) of professionally accredited counter fraud specialists	2
Total number (full time equivalent) of professionally accredited counter fraud specialists	1.6
Total amount spent by us on the investigation and prosecution of fraud, and	£0
Total number of fraud cases investigated	0

This information can also be found on the Council's website: [Counter fraud - Uttlesford District Council](#).