

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	16 July 2026
Subject:	Annual Counter Fraud, Bribery and Corruption Report 2025-26
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<p>Nature and Reason for Reporting: The Governance and Audit Committee's terms of reference require it to oversee any major areas of fraud, identified in an annual report and monitor action plans to address control weaknesses (3.4.8.9.5). The committee is also required to consider the assurance provided by internal audit (3.4.8.9.6).</p> <p>In addition, the Accounts and Audit (Wales) Regulations 2014 state that the Council's responsible financial officer (Section 151 Officer) must ensure that its accounting control systems include measures to enable the prevention and detection of inaccuracies and fraud.</p> <p>Finally, while no longer a standard in its own right in the new Global Internal Audit Standards in the UK Public Sector (GIAS), fraud is considered a pervasive risk and is considered throughout the standards.</p>	

1. INTRODUCTION

- 1.1. This annual report summarises Internal Audit's counter fraud, bribery and corruption activity during 2025-26 and provides assurance to the Governance and Audit Committee on the council's arrangements for preventing, detecting and responding to fraud risk.

2. SUMMARY

- 2.1. Fraud remains a significant financial and reputational risk, with national estimates suggesting that losses to fraud and error could equate to between £1.39 million and £13.9 million a year when applied to the council's 2025-26 gross revenue budget.
- 2.2. During the year, Internal Audit continued to deliver the Counter Fraud, Bribery and Corruption Strategy 2025-2028 and associated Delivery Plan. Activity focused on strengthening governance, raising awareness, improving reporting routes, using data and intelligence, supporting services and progressing the Auditor General for Wales's recommendations.

- 2.3. Overall, the report provides assurance that Internal Audit continues to support the council's counter fraud framework and that allegations are being captured, triaged and acted upon.
- 2.4. However, the key areas of oversight for the committee would be capacity, fraud risk assessments, delivery of the strategy, use of data analytics and the National Fraud Initiative, and ensuring that lessons from referrals and investigations strengthen controls.

3. RECOMMENDATION

- 3.1. That the committee considers and comments on the activity carried out during 2025-26 to minimise the risk of fraud, bribery and corruption occurring within and against the council and notes the assurance provided to the committee on the effectiveness of the council's arrangements to minimise the risk of fraud.

Annual Counter Fraud, Bribery & Corruption Report 2025-26

July 2026



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Head of Audit & Risk



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Introduction

1. This report presents the activity that Internal Audit carried out during 2025-26 to minimise the risk of fraud, bribery and corruption¹ occurring within and against the council.
2. This supports the requirements of the Global Internal Audit Standards in the UK Public Sector (GIAS), which replaced the Public Sector Internal Audit Standards (PSIAS) with effect from 1 April 2025. While no longer a standard in its own right, fraud is considered a pervasive risk and is considered throughout the standards.
3. In addition, the Accounts and Audit (Wales) Regulations 2014 state that the council’s responsible financial officer (Section 151 Officer) must ensure that its accounting control systems include measures to enable the prevention and detection of inaccuracies and fraud.
4. A [report](#)² by the Auditor General for Wales stated that the value the public sector loses to fraud is unknown. A Cabinet Office [report](#)³ identified an upper and lower range for likely losses in government spend between 0.5% and 5% of expenditure.
5. Applying those estimates to the £277 million gross revenue [budget](#) of the Isle of Anglesey County Council in 2025-26 suggests that losses to fraud and error may be anywhere between £1.39 million and £13.9 million per annum.
6. The report also provides an un update on the council’s progress in responding to the Auditor General’s recommendations in a [report](#)⁴ published in 2020.

¹ An explanation of what constitutes fraud, bribery and corruption is included at [Appendix 1](#)

² [Counter-Fraud Arrangements in the Welsh Public Sector](#), Audit Wales, June 2019

³ [Cross-Government Fraud Landscape Annual Report 2019](#), Cabinet Office

⁴ ‘Raising Our Game’ Tackling Fraud in Wales, Audit Wales, July 2020

Why is Countering Fraud, Bribery and Corruption Important?

7. Each pound lost to fraud, bribery and corruption represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them.
8. At a time of increasing financial pressure, it is more important than ever for all public bodies in Wales to seek to minimise the risks of losses through fraud and support financial sustainability.
9. Fraud can also affect the public sectors' reputation, undermining public trust and organisational efficiency.
10. When councils take effective counter fraud measures, they rebuild this public trust and ensure that scarce funds are used effectively.
11. The public sector is now being increasingly targeted due to their larger financial transactions and the greater potential profits for fraudsters.
12. CIPFA, in its 'Code of Practice on Managing the Risk of Fraud and Corruption'⁵ advocates that:

“Leaders of public services 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”.

Current context

13. Fraud remains the most reported crime in England and Wales, impacting millions of people and businesses each year. Its growing scale and sophistication threaten public trust, national security, and economic resilience.⁶ With continuing geopolitical unrest and the cost-of-living crisis, other business-critical risks such as supply chain disruption, staff retention, and cyber threats, the opportunities for fraud continue to increase, and fraudsters will take advantage of the situation using increasingly sophisticated tools to commit crime.
14. There is real concern in the public and private sectors in the UK that fraud is now at unprecedented levels. According to the Home Office, fraud now accounts for almost 44% of all crime reported in England and Wales and is estimated to cost the UK economy £219 billion⁷ each year, with an estimated 4.4 million fraud incidents in the year ending December 2025.⁸
15. For the year ending March 2026, [Report Fraud](#) (the replacement for Action Fraud) recorded 2,040 reports of fraud in the North Wales Police Force area, with losses amounting to £7 million. Of these, 95% were reported by individuals and the remaining 5% by organisations.
16. However, fraud against government organisations also remains a significant concern. In response we have seen the UK government establish the Public Sector Fraud Authority (PSFA), launched in August 2022 to modernise the counter fraud activity in the public sector and introduce new legislation, including the 'failure to prevent fraud' [offence](#) introduced in the Economic Crime and Corporate Transparency Act 2023, which came into force on 1 September 2025.

⁵ [Code of Practice on Managing the Risk of Fraud and Corruption](#), CIPFA, 2014

⁶ [Fraud Strategy 2026-2029 - Disrupting crime, supporting economic resilience and delivering justice](#), UK Government, March 2026

⁷ [Annual Fraud Indicator](#), Crowe, Peters & Peters and University of Portsmouth, 2023

⁸ [Crime in England and Wales: year ending December 2025](#), ONS, April 2026

17. Based on the PSFA's methodology, the National Audit Office estimates that fraud and error cost the taxpayer £55 billion to £81 billion in 2023-24⁹ which indicates that the challenge for the government in taking action on fraud against the public sector remains significant.
18. Artificial Intelligence (AI) has a dual role, with the increasing use of AI by both fraudsters (creating sophisticated schemes) and organisations (improving fraud detection). Over the last year we have seen significant emerging threats and trends in fraud with the ongoing risk of Generative AI allowing fraudsters to generate highly convincing deepfake voices, images, and documents, making it problematic to detect fraud. The change to online living and e-commerce has increased the 'attack surface' for fraudsters.
19. The internal threat from management and staff continues to be recognised as a serious issue. A KPMG¹⁰ report reveals that typical fraudsters are often long-serving, trusted employees exploiting organisational weaknesses. In 2024-25, there were 5,387 'thefts by an employee' offence reported in England and Wales.¹¹
20. The Auditor General, in his [report](#)¹² discussing the challenges facing Welsh public services, fears that it is too easy for public bodies to think of their investment in counter fraud work as a luxury rather than a necessity amid other pressures. The Auditor General suggests the opportunities are significant if there is the will to pursue them.

Strategic objectives 2025-2028

21. When considering our objectives, we considered CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption (2014) (the [CIPFA Code](#)), which sets out best practice for counter-fraud work in local government, based on five principles.
22. In addition, in the absence of a Wales-specific overarching strategy we used the '[Fighting Fraud and Corruption Locally: A Strategy for the 2020s](#)' (FFCL), to underpin our strategic focus. This is the overarching counter-fraud and corruption strategy for local government in England and provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities.
23. Similar to the CIPFA Code, the FFCL strategy focuses on five pillars of activity, or strategic objectives, which are detailed at [Appendix 2](#), and helps us to set out where the council needs to concentrate its counter-fraud efforts.
24. These strategic objectives have been used to develop a delivery plan of counter fraud activity. A progress update is included at [Appendix 3](#).
25. Highlights include a tangible increased awareness of potentially fraudulent emails as a result of the training programme delivered during 2023-24, and the launch of the corporate fraud reporting tool.

⁹ [The impact of fraud and error on public funds 2023-24](#), National Audit Office, November 2024

¹⁰ [Global profiles of the fraudster](#), KPMG, 2025

¹¹ [Number of theft by an employee offences in England and Wales from 2002/03 to 2024/25](#), Statista, accessed 29/06/26

¹² [From firefighting to future-proofing – the challenge for Welsh public services](#), Audit Wales, February 2024

Fraud Reporting Tool

26. In November 2024, the council's Fraud Reporting Tool went live on the council's website. Due to capacity issues within the team, the launch was not promoted via the council's corporate communications team. However, despite not being promoted, the results have been excellent and are detailed at [Appendix 4](#), with case studies at [Appendix 5](#).
27. The Fraud Reporting Tool received 61 allegations during 2025-26, compared with 19 in the previous reporting period. The prior-year figure covered only five months, following the launch of the tool in November 2024, whereas the current year reflects a full twelve-month period. Direct year-on-year comparison should therefore be treated with caution; however, even allowing for the longer reporting period, the level of use demonstrates that the tool is becoming an established route for reporting concerns and is supporting greater visibility of potential fraud, error and misuse of council services.
28. Revenues-related allegations accounted for the majority of reports, with 44 allegations received, representing around 72% of all referrals. This is consistent with expectations, given the nature of council tax administration and the known risks associated with single person discount, second home premium evasion and properties not appearing on the council tax or business rates list. Of these reports, five cases have resulted in fraud or error being identified to date, with a further 13 still under review. This indicates that the area remains a key focus for ongoing preventative and detective work, including data matching and targeted review activity.
29. Social housing tenancy fraud was the second highest reporting category, with nine allegations compared with one in the earlier five-month period. One case has resulted in fraud or error being identified, with an estimated value of £42,000¹³, and three cases remain under review. Although the number of referrals is lower than for Revenues, the estimated value demonstrates the potential financial and social impact of tenancy fraud, including the loss of scarce housing resources for those in genuine need.
30. Across all categories, 25 allegations were closed as unfounded following review or investigation, and a further 10 were closed because there was insufficient evidence to investigate. This is a normal feature of fraud reporting arrangements, where allegations can be based on incomplete information or misunderstandings. Nevertheless, the process provides an important mechanism for triaging concerns, identifying potential control weaknesses and ensuring that matters with sufficient evidence are referred to the appropriate service for review.
31. At year end, 20 allegations remained under review. This includes 13 Revenues cases, three social housing tenancy cases and individual cases relating to benefits, blue badges, public protection/trading standards and other matters. The number of open cases reflects both the volume of referrals generated by the tool and the fact that some allegations require service-led checks, data matching or further evidence before they can be concluded.
32. Overall, the tool has helped to strengthen the council's counter-fraud arrangements by improving accessibility for reporting concerns and by generating intelligence across a range of service areas. The results also reinforce the importance of continued promotion of the reporting route, timely triage of referrals, effective liaison with services and the use of data matching to support proportionate investigation.

¹³ The [Tenancy Fraud Forum](#) estimates each detected housing tenancy fraud at £42,000, using a standard national formula based on expert-assessed costs over four years. This helps councils estimate the public purse savings from recovering fraudulently occupied properties, including reduced temporary accommodation costs.

Fraud investigations

33. Two allegations of potential fraud against the council are in the process of being investigated. Following preliminary investigations, it is likely, due to insufficient evidence, that no further action will be taken with regards both cases.
34. A report will be made to the Governance and Audit Committee on completion of the investigations.

Proactive counter fraud reviews

35. The Insurance and Counter Fraud Officer undertook a counter fraud review of the council's administration of the **'Homes for Ukraine Thank You'** payments scheme following [media coverage](#) of fraud associated with the scheme in a local authority in England (Huntingdonshire District Council).
36. The review considered the design and operation of internal controls, including officer discussions, payment spreadsheet analysis, and sample testing against payment system records.
37. Overall, the review found that controls are operating effectively. Officers demonstrated a clear understanding of eligibility requirements, verification steps, authorisation arrangements, and the need to respond promptly to changes in host circumstances. Appropriate segregation of duties is in place, and regular team oversight supports consistent monitoring of payments.
38. The payment spreadsheet was well maintained and up to date, and sample testing did not identify any anomalies, inconsistencies, or unexplained payments. The arrangements reviewed provide a sound level of assurance that the council is effectively managing fraud and overpayment risks in relation to the scheme.

Progress with implementing the Auditor General's recommendations

39. We assessed the progress the council has made to implement the 15 recommendations made in the Auditor General for Wales's 2020 [report](#)¹⁴ on fraud to the Welsh Public Sector.
40. Of the 15 recommendations, the first applied to Welsh Government and recommended that the Welsh Government enhance its strategic leadership of counter-fraud across the public service in Wales, playing a coordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities.
41. The remaining 14 applied to the wider public sector in Wales, including local government. The council complies with 12 of the recommendations but only partly complies with the remaining two regarding fraud risk assessments. However, these are incorporated in the council's Counter Fraud, Bribery and Corruption Strategy 2025-2028 and monitored by the Delivery Plan.

¹⁴ ['Raising Our Game' - Tackling Fraud in Wales](#), Audit Wales, July 2020

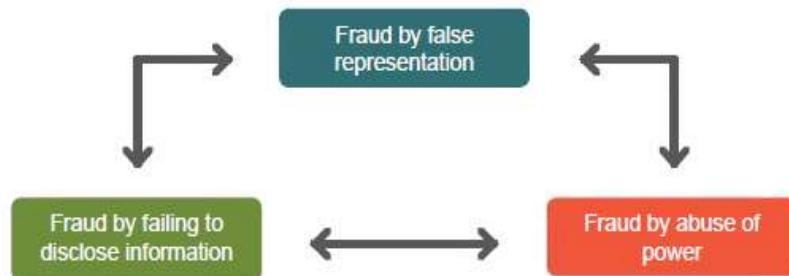
Conclusion

42. The effective management of fraud and corruption risks is a critical part of an effective, modern council. Some level of public sector fraud is likely, even in normal times. Given that all elements of the classic fraud triangle in which fraud thrives (motivation, opportunity and rationalisation) are heightened, the prediction for fraud is that it continues to pose a major financial threat for councils, with no sign of slowing down.
43. The council is not immune to theft in the workplace, which can go undetected for years, and occur at all levels. Unless we have the right protections in place, the council will have little chance of recovering stolen cash and goods, and may face other expenses, such as regulatory fines. The council can reduce the risk of employee theft by implementing robust controls, robust oversight and a positive work culture.
44. Delivery of the Counter Fraud, Bribery and Corruption Strategy 2025-28 and Delivery Plan will help the council to fight fraud. A key next step is the development of council-wide fraud risk assessments which will help to improve the council's ability to identify potential instances of fraud, as well as any weaknesses in its counter-fraud arrangements or areas at higher risk of fraud. This will allow the council to better target its limited resources and activities appropriately, particularly if and when new fraud risks emerge.
45. These fraud risk assessments will also be used as a live resource and integrated within the general risk management framework to ensure that the risks identified are appropriately managed and escalated as necessary.
46. The council continues to seek to maximise benefit from its National Fraud Initiative work and continues to use data analytics in its continuous monitoring work.
47. Where fraud is identified and successfully addressed it will be publicised to re-enforce a robust message from the top that fraud will not be tolerated.
48. The Governance and Audit Committee is engaged with counter-fraud. It receives reports of the outcome of fraud investigations, and provides support and direction, monitoring and holds officials to account.
49. Further, the success of the Fraud Reporting Tool provides assurance that allegations are being captured, assessed and acted upon, while also highlighting the need to maintain sufficient capacity to manage referrals and follow up areas of higher risk.
50. While the council has trained counter-fraud staff that meet recognised professional standards, capacity remains an issue, and the limited resources will need to be prioritised on a risk basis. The appointment of dedicated counter fraud officer provides a step-change in the council's ability to counter fraud effectively.
51. Finally, the behaviours and actions of individuals play a crucial role in tackling fraud risks. We must all, staff and members alike, play our part in creating a culture hostile to the risks of fraud and corruption, clearly setting out the line between acceptable and unacceptable behaviour within the council.

Appendix 1 – What is Fraud, Bribery and Corruption?

Fraud

The Fraud Act 2006 sets out three ways in which the crime can be committed:



It involves leading the perpetrator to make a gain (generally financial), causing a loss to another (including an organisation), or exposing someone else to loss.

For example, fraud by false representation is where the perpetrator deliberately submits false overtime claims or submits false qualifications during the recruitment process.

An example of fraud by failing to disclose information includes not disclosing information to a judge during litigation which results in the organisation losing the case and paying compensation.

Fraud by abuse of position includes where a member of staff abuses their position to award contracts to friends and family or transferring creditor payments into their own personal account.

Bribery

The Bribery Act 2010 sets out four ways in which the crime can be committed:

- Giving bribes either directly or through a third party
- Receiving bribes
- Bribery of a foreign public official
- Failure of a commercial organisation to prevent bribery (corporate offence)

The concept of bribery is broad and includes the offer, promise or giving of a financial or other advantage intended to induce or reward the improper performance of a public function or business activity. Special consideration is also given in the Act to certain areas of activity, including hospitality and gifts.

For example, someone giving a council employee an advantage in return for them not performing their function properly. Just offering or promising a bribe is a criminal offence, there does not have to be any payment or reward given; accepting a bribe is a criminal offence as is agreeing to take or asking for a bribe. The advantage can be money, concert tickets or any other type of gift or hospitality. Examples include if someone offers money in return for:

- Not checking the accuracy of a benefits application
- Providing confidential information on a tendering process
- Influencing a council outcome e.g., lobbying for private companies.

The council is legally bound to prevent bribery and could face a fine for not doing so. Staff are under a duty to report any suspicions they have about financial or professional misconduct. The penalty for being involved in bribery is up to 10 years in prison and / or an unlimited fine.

Corruption

While there is no legal definition of corruption, corruption is often seen as a precursor to bribery and His Majesty's Government uses the definition developed by the Home Office.¹⁵

Corruption is often seen as a precursor to bribery and has been defined as:

"...the abuse of entrusted power for private benefit that usually breaches laws, regulations, standards of integrity and/or standards of professional behaviour."

Corruption or someone being 'corrupt' relates to behaviour and is the lack of integrity or honesty (which may involve bribery) or the abuse of position for dishonest gain.

It is used to describe someone who engages in fraud, theft, money laundering and other potential criminal or damaging practices where they act against the interests of the council for their or another's gain.

For example:

- Deliberate misrepresentation of performance information
- Taking money or a gift to award a contract
- Theft of assets (laptops, equipment)
- Passing sensitive information to third parties for their advantage in a tendering process
- Not disclosing a conflict of interest for financial gain
- Using their influence to secure a job for friends / family members.

¹⁵ [Government Counter Fraud Functional Strategy 2024-2027](#)

Appendix 2 – Strategic Pillars

Govern
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.
What is expected <p>The foundation of the strategy is that <i>'those charged with governance'</i> support the activity by ensuring that there are robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the council.</p> <p>Beating fraud is everyone's business, and the council needs robust internal arrangements, which are communicated throughout the council to demonstrate the culture and commitment to preventing fraud.</p> <p>The first principle of the CIPFA Code also advocates that the governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.</p> <p>The third principle of the Code advocates that organisations need a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.</p>
What we do / What we are going to do <p>A framework of policies exists, as recommended by the guidance and policy acceptance software tracks staff's acceptance and understanding of some policies. A programme of policy refreshment, counter fraud awareness raising, and an eLearning package will be delivered as part of the Counter Fraud Strategy for 2025-28.</p> <p>The council has a clearly defined three-year strategy, approved at the highest level, which is focused on outcomes, helping to ensure that the risk of fraud and corruption is taken seriously in the council.</p>

Acknowledge
<p>Assessing and understanding fraud risks. Committing the right support and tackling fraud and corruption. Demonstrating that it has a robust anti-fraud response. Communicating the risks to those charged with governance.</p>
<p>What is expected</p> <p>To create a counter-fraud response, the council must acknowledge and understand fraud risks and demonstrate by committing the appropriate resource for tackling fraud.</p> <p>The CIPFA Code advocates fraud risk identification as essential to understanding exposures to risk, changing patterns in fraud, corruption threats and the potential consequences to the organisation and its service users. It supports fraud and corruption risks as business risks and to be managed as part of the organisation's risk management process.</p> <p>The fourth principle advocates that organisations should make arrangements for appropriate resources to support the counter fraud strategy.</p> <p>What we do / What we are going to do</p> <p>The Leadership Team (LT) has acknowledged the threats of fraud and corruption by mandating the inclusion of fraud in every service risk register. The establishment of a council-wide Counter Fraud Working Group will enhance this. The group's first task will be to develop council-wide fraud risk assessments.</p> <p>Similar to all services within the council, there has been limited resources within the council towards counter fraud arrangements. The appointment of a dedicated counter fraud officer provides a step-change in the council's counter fraud response.</p> <p>We submit an annual report to the Governance and Audit Committee to enable it to challenge activity and understand the council's counter-fraud activity.</p>

Prevent
<p>Making the best use of information and technology. Enhancing fraud controls and processes. Developing a more effective anti-fraud culture. Communicating its activity and successes.</p>
<p>What is expected</p> <p>The most efficient and effective way to fight fraud is to prevent fraud occurring in the first place. This can be achieved by sharing knowledge and raising awareness. The council can prevent and detect by enhancing fraud controls and processes, making better use of information and technology and developing a more effective anti-fraud culture.</p> <p>What we do / What we are going to do</p> <p>In conjunction with the Training and Development Team, we provided a programme of in person counter fraud training events in 2023-24, targeted at elected and lay members, and managers and officers with financial and procurement responsibilities. We will repeat this training at regular intervals and is supported by the rollout of eLearning in 2026.</p> <p>We will undertake regular awareness raising initiatives across the council and distribute National Anti-Fraud Network alerts to the relevant parts of the organisation when received.</p> <p>Where fraud is identified and successfully addressed it will be publicised to re-enforce a robust message from the top that fraud will not be tolerated.</p> <p>We will actively promote the importance the council gives to countering fraud, giving confidence to staff and members of the public that fraud is not tolerated.</p>

Pursue

Prioritising fraud recovery and use of civil sanctions.
Developing capability and capacity to punish offenders.
Collaborating across geographical and sectoral boundaries.
Learning lessons and closing the gaps.

What is expected

While preventing fraud and corruption from happening in the first place is the council's primary aim, it is essential that a robust enforcement response is available to pursue fraudsters and deter others.

The fifth principle of the Code advocates that organisations put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.

It establishes that the ability to take action will be dependent upon the size and nature of an organisation and the size of its counter fraud capacity. Irrespective of the size and activities of an organisation, however, it needs to take appropriate action and report on that action to its governing body.

What we do / What we are going to do

The council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the council. Where criminality has been proven then the Proceeds of Crime Act 2002 will, where appropriate, be used to recover funds. Other methods of recovery may include, but are not confined to, civil proceedings, unlawful profit orders and compensation orders.

We will continue attending the North & Mid Wales Audit Partnership's Counter Fraud Working Group.

We will continue to coordinate data required from the council by the National Fraud Initiative for its biennial data matching exercise and explore high-risk matches identified by the NFI data matching exercise.

Protecting itself and its residents

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Recognising the harm that fraud can cause in the community.

What is expected

This theme lies across the pillars of this strategy and involves protecting the council against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the wider community. It also covers protecting public funds, protecting the council from cyber-crime and protecting itself from future frauds.

What we do / What we are going to do

The council recognises that fraud is not a victimless crime and seeks to protect the vulnerable from the harm that fraud can cause in the community.

We have a duty to protect residents in our communities from fraud, and we will work in collaboration with officers across the council and partner agencies to prevent fraud and safeguard the vulnerable.

Appendix 3 – Counter Fraud, Bribery and Corruption Delivery Plan 2025-2028

Issue / Risk / Opportunity	Action	By Whom	By When	Current Status
Progress with delivering outstanding actions from Counter Fraud, Bribery and Corruption Action Plan 2022-2025				
Procurement was one of the highest perceived fraud risk areas in 2019-20	We will work with the Procurement Manager to implement the action plan following the internal audit review of 'Managing the Risk of Fraud and Corruption in Procurement', undertaken in August 2022.	Head of Audit and Risk	March 2023 Revised date: December 2026	Work in progress. Due to competing priorities, one out of six 'Issues/Risks' remains outstanding from the 'Managing the Risk of Fraud and Corruption in Procurement' Action Plan - the Counter Fraud Working Group has not been established.
Purchase to pay processes are vulnerable to fraud given their large processing volumes, diverse suppliers, staffing challenges, and high-value transactions	We will continue to work with the Creditors Team to identify and prevent error and fraud, including through the use of data analytics (continuous monitoring) and issuing National Anti-Fraud Network (NAFN) and other fraud alerts.	Head of Audit and Risk with Payroll and Payments Team Manager	Business as usual	Continuous monitoring is carried out annually. Duplicate Payments report issued in September 2025 and submitted to the Governance and Audit Committee. Appendix 6 details the alerts issued across the council to raise awareness and prevent fraud.
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Having a corporate counter-fraud framework, which provides a whole range of high-level parts, will contribute to the council having an effective counter-fraud strategy. The council has a robust framework of procedures and policies, which combine to act as an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. We will therefore undertake: <ul style="list-style-type: none"> • a comprehensive programme of policy refreshment • counter-fraud awareness raising • an eLearning package 	Head of Audit and Risk	Business as usual	<ul style="list-style-type: none"> • A programme of in person training was provided in December 2023, with two mop-up sessions in March 2024. • An eLearning package has since been rolled out council wide. Support will be requested from Leadership Team to make it mandatory for all staff. • Policy refreshment will be undertaken during 2026-27. • We supported colleagues in the Housing service to review the Housing Tenancy fraud policy.

Issue / Risk / Opportunity	Action	By Whom	By When	Current Status
				<ul style="list-style-type: none"> We are supporting colleagues in the Housing service to utilise the tools afforded by the National Fraud Initiative, i.e. AppCheck highlights possible fraudulent applications as well as positively identifying genuine applications by matching application data against a range of data sources already collected by the NFI biennial batch matching exercise.
<p>The identification, assessment and understanding of fraud risks is a cornerstone of effective counter-fraud arrangements</p>	<p>We will, in conjunction with services, develop three key work streams which will:</p> <ul style="list-style-type: none"> seek to identify fraud risks across the Council assess fraud control activities and their effectiveness, and dedicate the right level of resource to investigating and detecting fraud where reported <p>A counter-fraud working group will be developed to help identify fraud risk across the Council.</p> <p>We will work with the group to develop a fraud risk assessment to identify the possible frauds to which services may be exposed. The assessment will estimate both the potential impact of a given fraud and the likelihood of it occurring. The results of the assessments will enable the Council to understand better the fraud-threat environment in which it operates. The assessments will also be used as a tool to assist in focusing resources on the most relevant fraud risks.</p>	<p>Head of Audit and Risk</p>	<p>December 2024</p> <p>Revised date: December 2026</p>	<p>Not started. Due to capacity issues within the team, this work has not started. The establishment of a Counter Fraud Working Group is key to this action. A proposal will be made to Leadership Team to seek support for the establishment of this group. This will be prioritised.</p> <p>Key to responding to the risks the council faces from fraud is using its available resources to bring together services to undertake comprehensive fraud risk assessments, using appropriately skilled staff, using national intelligence as well as organisation-specific intelligence.</p> <p>These fraud risk assessments will be used as a live resource and integrated within the general risk management framework to ensure that the risks identified are appropriately managed and escalated as necessary.</p>

Issue / Risk / Opportunity	Action	By Whom	By When	Current Status
Making the best use of information and technology by participating in the National Fraud Initiative	We will participate in the annual and biennial NFI exercises, which use data provided by some 1,200 participating organisations from across the public and private sectors to prevent and detect fraud. The NFI matches electronic data within and between public and private sector bodies, which include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The NFI data matching plays an important role in protecting the public purse against fraud risks.	Head of Audit and Risk in conjunction with services	Business as usual	National Fraud Initiative Outcomes Progress Report 2024-26 submitted to the Governance and Audit Committee in September 2025 . The next biennial exercise will commence in December 2026. We are currently participating in a pilot initiative, the outcome of which will be reported to the governance and Audit Committee.
Promotion of an anti-fraud culture	We will promote an anti-fraud culture across the Council by publicising the impact of fraud on the Council and the community, through social media.	Head of Audit and Risk in conjunction with the Corporate Communications Team	Ongoing	A programme of fraud awareness training has been provided internally, and the National Anti-Fraud Network alerts continue to be circulated (Appendix 6), a programme of more general communications has not yet started.
Raising awareness	The best way to prevent fraud is to share knowledge and raise awareness. Therefore, we will in conjunction with the Training and Development Team, hold regular fraud awareness raising events, including issuing newsletters, training sessions and briefings.	Head of Audit and Risk in conjunction with the Training and Development Manager	Business as usual	A week-long programme of in person training was provided in December 2023, with two mop-up sessions in March 2024. The eLearning has been launched and is available on the council's Learning Pool.
Fraud Reporting	All fraud occurrences are required to be reported to Internal Audit. We will report investigation outcomes and lessons to be learned to the Governance and Audit Committee and the Leadership Team.	Head of Audit and Risk in conjunction with services	Business as usual	Information is provided to the Governance and Audit Committee through the Annual Counter Fraud, Bribery and Corruption Report and the Internal Audit Updates submitted to every meeting of the Governance and Audit Committee.

Issue / Risk / Opportunity	Action	By Whom	By When	Current Status
Collaboration, learning lessons and closing the gap	We will continue collaborating across the north Wales region to drive forward improvements in counter-fraud activity, including addressing the 15 recommendations made by the Auditor General in his July 2020 report. We will also continue collaborating across national boundaries to collaborate with the North West Chief Audit Executive Counter Fraud Sub Group, to learn lessons, share good practice and close the gap.	Head of Audit and Risk	Business as usual	The North and Mid Wales Audit Partnership Counter Fraud Working Group has completed its work on developing a template to address the 15 recommendations made by the Auditor General. The Group continues to meet to share knowledge, organise training and discuss emerging risks.
Protecting the Council and its residents	To ensure our counter-fraud strategy aligns with the Council's safeguarding responsibilities to actively protect the most vulnerable in our communities, we will work closely with social care teams to develop joint approaches to identify best practice in countering risks relating to social care fraud.	Head of Audit and Risk with the Director of Social Services	Business as usual	Following an audit of Financial Assessments, advice was provided to the Financial Assessment Team regarding 'Deprivation of Assets'. Other opportunities will be keenly sought to support colleagues across the council.
New actions from Counter Fraud, Bribery and Corruption Action Plan 2025-2028				
Professional Training	The Global Internal Audit Standards in the UK Public Sector forms the basis of UK public sector internal audit, effective from 1 April 2025. A requirement of the GIAS is that internal auditors should develop competencies related to pervasive risks, such as fraud. The team will continue with a programme of professional fraud training.	Head of Audit and Risk	March 2028	Not started. When capacity allows, the Insurance and Counter Fraud Officer will continue with their counter fraud studies.
The use of data analytics as detective exercises on areas of vulnerability	Data interrogation tools will be used in a continuous monitoring exercise of the payroll system to identify missing data such as NI numbers; high levels of pay or overtime claimed; duplicate names; duplicate bank account numbers, links to other organisations.	Head of Audit and Risk	Business as usual	The first report was submitted to the Governance and Audit Committee in September 2025 .
Failure to prevent fraud offence	Under the legislation, an organisation will be criminally liable where a specified fraud offence is committed by an employee, agent or other 'associated person', for the organisation's benefit and the organisation did not have	Head of Audit and Risk	March 2026	Work in progress.

Issue / Risk / Opportunity	Action	By Whom	By When	Current Status
	'reasonable' fraud prevention procedures in place. A self-assessment will be undertaken.		Revised date: December 2026	

Appendix 4 – Fraud Reporting Tool Outcomes 2025-26 (11/2024-03/25)

Type of Fraud	Number of allegations received	Number of allegations closed as unfounded following review / investigation	Number of allegations closed as the service conclude there is insufficient evidence to investigate	Number of allegations that are currently still under review	Number of allegations where fraud / error has been identified	Actual and estimated value of fraud / error
Revenues <ul style="list-style-type: none"> • Single Person Discount¹⁶ • Second Home premium evasion • Property not on the council tax / business rates list 	44 (13)	17 (8)	10 (1)	13 (3)	5 (1)	See case studies – Appendix 5 (£5,000+)
Benefits <ul style="list-style-type: none"> • Council Tax Reduction Scheme (CTRS)¹⁷ • Housing Benefit 	1 (2)	0 (0)	0 (2)	1 (0)	0 (0)	£0 (£0)
Blue Badges	2 (1)	1 (1)	0 (0)	1 (0)	0 (0)	£0 (£0)
Procurement / failure to deliver contract	0 (1)	0 (1)	0 (0)	0 (0)	0 (0)	£0 (£0)
Social Housing Tenancy Fraud	9 (1)	5 (1)	0 (0)	3 (0)	1 (0)	£42,000 (£0)
Planning	0 (1)	0 (1)	0 (0)	0 (0)	0 (0)	£0 (£0)
Public Protection / Trading Standards	3 (0)	1 (0)	0 (0)	1 (0)	0 (0)	£0 (£0)
Waste	1 (0)	1 (0)	0 (0)	0 (0)	0 (0)	£0 (£0)
Other	1 (0)	0 (0)	0 (0)	1 (0)	0 (0)	£0 (£0)
Total	61 (19)	25 (12)	10 (3)	20 (3)	6 (1)	

¹⁶ Allegations of Single Person Discount fraud are to be reviewed and verified by a pending one-off bulk review, followed by rolling reviews- as a result, individual allegations will not be investigated unless there is reliable and credible evidence.

¹⁷ Some of the above Single Person Discount fraud allegations also have means tested council tax reduction (CTRS) implications, but they have not been counted twice in these statistics.

Appendix 5 – Fraud Reporting Tool – Case studies

Social housing application fraud

Following an anonymous allegation that a potential tenant had not disclosed key information on their social housing application, a joint investigation by the Counter Fraud Officer and Community Housing Service resulted in a fraudulent application being prevented. The investigation determined that the applicant misrepresented their situation and failed to disclose key household information.

The Tenancy Fraud Forum (TFF) estimates that the average cost of social housing tenancy fraud to the public purse is around £42,000 per property. Costs for local councils vary and depend on the cost of temporary accommodation and associated housing benefit receipts. However, if a fraudulent application and subsequent allocation go undetected, the cost to the public purse over the lifetime of the tenancy is significant.

Council tax evasion – undeclared change in circumstances

An allegation of undeclared change in circumstances that would impact the owners' council tax liability and means tested Council Tax Relief Scheme (CTRS) entitlement was received. Following investigation by the Counter Fraud Officer and subsequent referral to Revenues:

- The undeclared council tax dwelling has been banded by the Valuation Office Agency (VOA) and backdated to the date of occupation, resulting in a charge of nearly £9k plus current and future years
- The means tested council tax reduction entitlement of the owners at their main residence was reviewed and subsequently cancelled, resulting in over£3k being payable for the period in question and future years

Council tax evasion – undeclared second home/new developments

An allegation concerned a potential undeclared second home/holiday let and also provided information about two possible undeclared new developments (conversion of two outbuildings into dwelling and ancillary accommodation). Following review, these two new developments were identified and are now being reviewed by the Revenues Enquires Officer. Subject to the VOA, they will be banded and enter the council tax list, resulting in increased council tax revenues. The Revenues Team is also in the process of determining whether the property should be subject to second home premium.

A similar allegation that a property was no longer someone's sole or main residence and that it was a holiday let was also received. The owner explained that there had been a recent change in circumstances. Consequently, second home premium has been applied, resulting in additional council tax of just under £3k for 2026-27.

Council tax evasion – unidentified dwellings

Two separate reports relating to unidentified dwellings were received. In the first, following a review of information provided, a previously unidentified residential dwelling has been reported to the VOA to be banded for council tax purposes- the council is still awaiting the banding issue to be resolved by the VOA. Excluding any discount/ means tested reduction entitlements, this will result in present year and future years of additional council tax revenue.

A report was received regarding a separate property, with an allegation of council tax evasion and breach of planning conditions. Following a review by the Counter Fraud Officer and referral to the Revenues and Planning teams, the previously unidentified dwelling was reported to the VOA for council tax banding. Whilst the dwelling has now been banded by the VOA and has entered the council tax list, as it is currently an unoccupied annex that cannot be legally let separately from the main property due to planning or legal restrictions, it is in receipt of council tax exemption.

Appendix 6 – Fraud alerts issued

