

COUNTER FRAUD ANNUAL REPORT 2024/25

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APPENDIX 1

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BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to Cherwell District Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 This report provides the Accounts, Audit and Risk Committee with a summary of counter fraud activity completed by Veritau in 2024/25.



COUNTER FRAUD MANAGEMENT

- 5 Since commencing work with Cherwell on 1 May 2024, the counter fraud team has focused on establishing strong working relationships with Council teams. The team has reviewed and updated relevant policies, provided fraud awareness training, and set up investigative procedures.
- 6 The Council's website and intranet has been updated, to reflect the new counter fraud arrangements. Residents also received the team's contact details, via an anti-fraud message in their council tax bills³.
- 7 In November 2024, the updated Counter Fraud and Corruption and Anti-Money Laundering Policies were presented to the committee. These policy changes helped provide updated information regarding reporting arrangements and national best practice, as well as providing information on the decision-making outcomes following the completion of fraud investigations. In March 2025, the fraud risk assessment and the annual Counter Fraud Plan were also presented to the committee.
- 8 Veritau provided fraud awareness training to council teams throughout the year including: Customer Services, Finance, Housing, and Revenues and Benefits. This training helped provide Council officers with insight into how

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

² [An overview of the impact of fraud and error on public funds](#), National Audit Office, published November 2024.

³ Members of the public can report fraud on 0800 9179247, counter.fraud@veritau.co.uk and www.cherwell.gov.uk/info/27/housing-benefits/22/report-fraud.

frauds can manifest and how they can spot and refer issues to the counter fraud team.

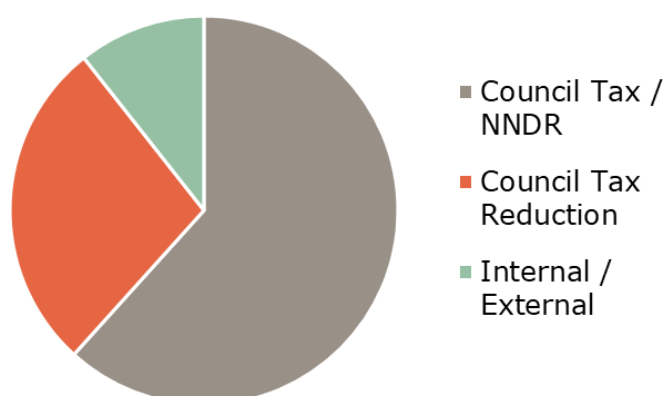
- 9 Regular liaison meetings have also been set up with the Revenues and Benefits team managers to share information and discuss ongoing investigations in the service area.
- 10 In May 2024, Veritau represented council partners, including Cherwell District Council, in a meeting that brought together large Local Authority counter fraud service providers and the Cabinet Office's Public Sector Fraud Authority (PSFA) leadership team. Cherwell District Council was named in the Government's press release as one of its "trailblazing" local authorities who are "who are leading the way in countering frauds"⁴.
- 11 The counter fraud team regularly meets with counter fraud colleagues in other Local Authority teams in Oxfordshire, and as part of the Midland Counties Fraud Group. These forums provide the opportunity to discuss regional issues and share best practice.



SUMMARY OF INVESTIGATIVE WORK

- 12 Veritau receive referrals of suspected fraud from Council officers, external agencies, data matches, and members of the public. Each referral is reviewed to determine if an investigation is necessary. Following this triaging process, 47 referrals were assessed as requiring further investigation by the counter fraud team. Cases are allocated in order of urgency, including consideration of the potential financial impact on the local authority, should the allegation be proven.

Referrals by Case Type

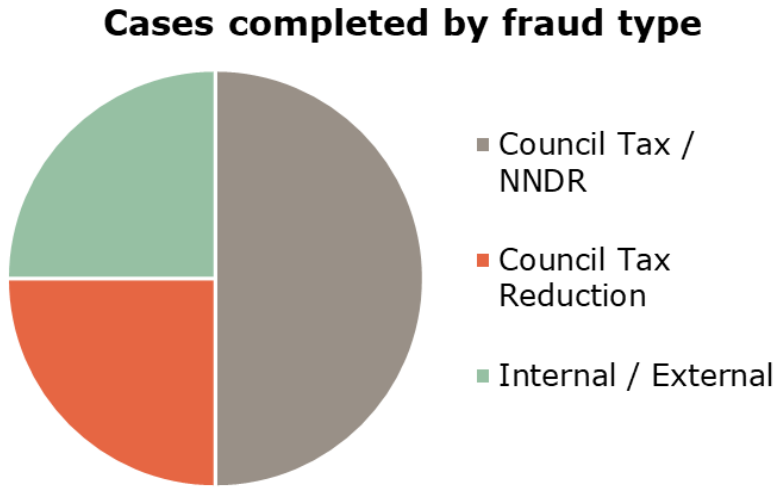


- 13 In 2024/25, the counter fraud team completed 12 investigations. Successful outcomes were achieved in 66% of cases⁵. Investigative work identified £10,500 for recovery via council tax underpayments, following

⁴ ["Trailblazing" councils save millions working with government counter fraud squad](#), HM Government, published May 2024.

⁵ Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, or warning issued in writing.

investigations into Empty homes Council Tax Premium, Single person discount and Council Tax Reduction.



- 14 Veritau coordinates the Council’s participation in the National Fraud Initiative (NFI) exercises. The 2024/25 bi-annual exercise began in Autumn 2024; data privacy notices held by relevant departments were reviewed, to ensure they are compliant with government guidance. Datasets were then collated and securely provided to the PSFA. Following this, the PSFA conducted the data-match, comparing data held by Cherwell District Council to other Local Authorities and Government Departments. In December 2024, over 1,000 data matches were sent to the counter fraud team for triaging. The matches cover Council areas including Council Tax Reduction, Housing Benefits, Housing Allocations, Payroll and Creditors. Work is ongoing to review the matches and identify those where further fraud investigation is required.
- 15 In December 2024, data was also supplied to the NFI for the annual Single person discount review. This data match compared council tax records to other datasets, including the electoral roll, to identify properties which receive Single person discount, but where there may be other adults resident at the address. Triaging work is ongoing to assess these matches.
- 16 As part of the Department for Work and Pension’s (DWP) arrangements for investigating Housing Benefit offences, the counter fraud team regularly responds to DWP information requests, known as LAIEFs. In 2024/25, the team responded to 16 LAIEF requests.
- 17 Joint-working procedures have also been reinforced following productive discussions with the DWP. The purpose of joint-working ensures that in situations where a resident receives benefits from both the Council and the DWP, and where the fraud allegation affects both claims, then a single fraud investigation can be undertaken. This reduces duplication for the investigation teams and also for the members of public who are under investigation.