

Counter Fraud Progress Report 2026/27

Date: 30 September 2026

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.
- 4 This report provides the Governance & Audit Committee with a summary of counter fraud activity undertaken by Veritau in 2026/27.



COUNTER FRAUD MANAGEMENT

- 5 Veritau has continued to provide fraud awareness training across Cherwell District Council. Training was provided to the Procurement team in May 2026. This was well received and the Procurement team asked for the training to be delivered to approximately 80 further staff and managers in late June. This will help reduce the risk of procurement fraud and help staff be aware of fraud risks in procurement. All staff have a responsibility to be aware of fraud and report any suspicion to the fraud team.
- 6 In May Veritau liaised with colleagues in Parking Services, to share information about a scam that was appearing across the UK. The scammers send text messages to members of the public informing them that they had an unpaid Penalty Charge Notice (PCN) to pay. The link directs recipients to a website designed to imitate Gov.uk, where payment is requested. This is a national scam affecting all the councils Veritau works with. Cherwell, like other councils, does not issue PCNs via text message. Where our team becomes aware of these issues, we speak to relevant departments and provide information for the council's websites and communications teams.

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.

- 7 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti-Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities, a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of fraudulent applications to crisis and resilience funds and concerns about a website advertising local authority job vacancies that is believed to be harvesting personal information rather than sending applications to the prospective employers.
- 8 The Local Government Transparency Code 2015 requires councils to publish annual data on counter fraud work. Veritau provided officers with the relevant data for work completed in 2025/26 which the Council is required to publish.



MULTI-AGENCY WORK

- 9 The National Fraud Initiative (NFI) is a large-scale data matching programme 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 it runs every two years. The 2026/27 exercise will begin in October when a range of datasets will be uploaded to the PSFA for data matching. The results are expected in late 2026 and early 2027.
- 10 In line with the Local Audit and Accountability Act 2015, the PSFA has recently consulted with local government about changes to the National Fraud Initiative. They recently sought views about a proposed 50% increase in fees (from £4040 to £6045 for unitary authorities) which is in part justified by a new proactive tool which will allow councils to directly access HMRC data.
- 11 Veritau continues to attend the Midlands Counties Fraud group to represent the authority and to ensure that any emerging fraud risks at other councils are taken into account and to share best practice with peers. In May Veritau represented Cherwell at a Local Government Review working group meeting in Oxford.
- 12 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. Since April 2026, the team has responded to 2 LAIEF requests.
- 13 In circumstances where a resident is awarded support by both the Council and DWP, the counter fraud team can jointly investigate fraud cases. One joint-investigation is in progress. This concerns an allegation that a resident has undeclared income and employment.



INVESTIGATIVE WORK

- 14 Between 1 April and 31 August 2026, the service logged 67 referrals of suspected fraud. Twenty one investigations have been completed this year and there are currently 27 cases under investigation, including cases

carried forward from previous years. To date £21,500 of fraud and error overpayments has been repaid to the council.

- 15 Since 1 April, there have been 4 warnings issued in respect of fraud offences and one internal case relating to suspected false overtime claims concluded after the employee resigned before a disciplinary hearing could take place.