WEST OXFORDSHIRE DISTRICT COUNCIL	**WEST OXFORDSHIRE DISTRICT COUNCIL**
Name and date of Committee	**AUDIT AND GOVERNANCE COMMITTEE – 24 SEPTEMBER 2026.**
Subject	**COUNTER FRAUD AND ENFORCEMENT UNIT REPORT**
Wards affected	All indirectly
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report author	Emma Cathcart, Assistant Director Counter Fraud and Enforcement Unit Email: emma.cathcart@cotswold.gov.uk
Summary/Purpose	To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually. To present the Committee with a reviewed Fraud Compliance Checklist and general update, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership as the body charged with governance in this area. To provide assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.
Annexes	Annex A – Fraud Compliance Checklist Annex B – CFEU Service Equality Impact Assessment
Recommendation(s)	That the Audit and Governance Committee resolves to: 1. Note the contents of the report
Corporate priorities	• Working Together for West Oxfordshire
Key Decision	NO

Exempt	NO
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Director of Finance. Any risk mitigation workstreams are provided to the relevant Senior Officers, Governance Group and Corporate Management for comment.

1. EXECUTIVE SUMMARY

1.1. Risk Management is used to identify, evaluate and manage the range of risks facing an organisation. This includes consideration relating to the risk of fraud. Risk management and being 'risk aware' are vital to ensure the effective operation of the Council.

1.2. Fraud is the most common crime in the UK and internationally, accounting for almost 44% of reported crime however it is also still the most under-reported crime. It is estimated that it costs the UK economy £219 billion each year and the public sector in the region of £81 billion per year; money that could otherwise be spent on the provision of public services.

1.3. The risk of fraud is ever present, and it is impossible to identify or mitigate against all risks, however by being risk aware the Council is in a better position to avoid threats, develop processes that reduce the loss or impact, and increase its ability to recover.

1.4. In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.

1.5. As the body charged with governance in this area, the Audit and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.

2. BACKGROUND

2.1 Fraud is an intentional, deliberate act which is committed by the submission of a false statement, or by failing to provide or omitting information. The act must be for the purpose of gaining for themselves or another, or of causing loss to another. Crucially, the fraudster does not have to achieve their aim for it to be fraud, if they are caught before they obtain the 'benefit', the offence is complete; it is the false statement or the intention that is the act of fraud.

2.2 Local Authorities have a responsibility to promote and develop high standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

2.3 The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities.

2.4 An updated Fraud Risk Strategy was presented to the Committee last year which set out the definitions and motivations for fraud and the principles of risk management. The Strategy identifies the high-risk areas that Local Government is susceptible to, both internally and externally. It also details the types of response methods and refers to the specific fraud response recommended for Local Government. These principles underpin the Council's Strategy.

2.5 As part of the ongoing approach, the Counter Fraud and Enforcement Unit (CFEU) monitors and adheres to the Local Government Association Fighting Fraud and Corruption Locally (FFCL) checklist which sets out best practice recommendations. Adherence to the checklist confirms compliance and identifies any areas of non-compliance or improvement.

2.6 Attached at Annex A is the reviewed FFCL checklist which summarises any updates since last year regarding areas that were partially or non-compliant. All compliant areas have been reviewed and remain compliant.

2.7 The CFEU Partnership is now benefitting from the Public Sector Fraud Authority's (Cabinet Office) Fraud Accelerator AI Tool which has been designed to support public bodies in their identification of fraud risks in their schemes, policies and programmes. This is used to undertake fraud risk assessments for all our partner Councils in relation to projects such as grant schemes. The tool is free for Local Authorities to use and does not allow submission of personal data, reviewing only processes and systems, and guidance documents to evaluate fraud risks. Work with the Public Sector Fraud Authority continues to ensure the promotion of the benefits and necessity of Local Government counter fraud provision.

2.8 Work has now been completed in relation to three fraud risk assurance registers relating to Procurement, Human Resources (Vetting and Recruitment), and Revenues and Benefits. A Housing register is in development.

2.9 The registers consider national and local emerging fraud risks, good practice in processes and procedure, and possible areas of risk mitigation. Rather than a traditional risk register with scores, they show areas of compliance, partial compliance, and non-compliance for consideration by Governance Officers and Corporate Management.

2.10 The CFEU work plan for 2025/26 included a focus on procurement, following the introduction of the new legislation, as a high-risk area. The assurance register in this area supports this workstream. Additionally, a simple reference guide highlighting 'Red Flags' during the procurement process has been completed and will be included on the procurement pages on the intranet.

2.11 The CFEU work plan for 2024/25 included a focus on fraud risk mitigation regarding polygamous working as an emerging high-risk area. As previously reported to the Committee and in the press, the CFEU undertook an investigation regarding a former employee who held multiple contracts of employment simultaneously. He was found guilty of committing fraud against Tewkesbury Borough Council, South Gloucestershire Council, and Publica Group Ltd.

2.12 The investigation informed a fraud risks and mitigations report which made 16 recommendations including suggestions for wording in employment contracts, the requirement for employees to regularly sign and agree to Code of Conduct documents, declaration of interest processes and how the Council manages secondary employment permissions and monitoring. These recommendations have been actioned and were captured within the Human Resources (Vetting and Recruitment) fraud assurance register.

2.13 Additionally, the CFEU Work Plan for 2024/25 included a commitment to support work relating to grant schemes due to the increased number that the Council oversees. A Grant Management Policy was adopted by Executive Committee in July 2026. The Policy sets out the processes to be followed by employees when managing all grants, applying for external funding, developing a new grant scheme and the distribution of funds.

2.14 A supporting Grant Management Toolkit detailing fraud risk areas, mitigation and suggestions relating to application drafting and verification activities has been in circulation for some time, and this is being reviewed and developed following approval of the Policy.

2.15 The focus of this year's work plan is fraud awareness work streams for employees, managers, Members and residents. This needs to ensure delivery is more relatable for each group in terms of fraud risk and mitigation.

2.16 Detail relating to the Economic Crime and Corporate Transparency Act 'failure to prevent fraud' offence has been issued to Corporate Management, Councillors and is included within the fraud awareness training being delivered to staff across the CFEU Partnership. The staff sessions also include detail regarding whistle-blowing legislation to support referrals from colleagues to ensure awareness of the associated protections. Annual whistleblowing communications were issued to all staff in April.

2.17 Councillors were invited to attend a fraud awareness session on 9 July 2026 – a recording can be found on the Member Portal.

2.18 In relation to residents, the Gloucestershire MAAF webpage has now been launched and is a simple and effective way to raise awareness and stop people failing foul of scams or 'put a lid on fraud'.

Gloucestershire Against Scams Joint Agency Response

Working together to put a lid on fraud www.cfeu.org.uk/glassjar

2.19 The website provides practical advice for individuals, families, and businesses, clear reporting routes and contact details and support information for those that have been targeted by fraudsters. Much of the information is generic and not limited geographically, so may benefit residents and colleagues of the West Oxfordshire district.

2.20 In terms of larger scale fraud risk mitigation activities, all Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.

2.21 The CFEU reviews the majority of the matches generated by the National Fraud Initiative, with some data set anomalies being reviewed by other teams in the Council. Outcomes are reported to the Committee annually. The CFEU ensures representation at consultation groups recommending new areas of risk to be targeted by the Cabinet Office, Business

Rates Fraud is a current example of this. Additionally, the CFEU ensures that the Council are part of any pilot activities, for example new workstreams are expected in early 2027 relating to subletting of social housing.

2.22 For information, a revised Counter Fraud and Anti-Corruption Policy and an updated Proceeds of Crime and Anti-Money Laundering Policy were adopted by Executive Committee in July 2026.

2.23 A general Equalities Impact Assessment has been produced in relation to the CFEU activities, and this is attached at Annex B for reference. This provides assurance regarding decision making and legislative responsibilities when undertaking enforcement.

2.24 Finally, as referred to in the Audit and Governance Committee report in March 2026, the Council was inspected in the summer by the Investigatory Powers Commissioner's Office, regarding its compliance with the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016. The Commissioner has confirmed that the responses provided to the Inspector's letter provided assurance that the Council was fully compliant.

3. ALTERNATIVE OPTIONS

3.1 The CFEU is working with the Council, all Gloucestershire Local Authorities, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.

3.2 The CFEU is a shared service across the partnership and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

4. FINANCIAL IMPLICATIONS

4.1 The implementation of the work streams associated with the Fraud Risk Strategy will help identify loss avoidance measures and any costs associated with implementation will be contained within existing budgets.

5. LEGAL IMPLICATIONS

5.1 In general terms, the existence and application of an effective fraud risk management regime assist the Council in effective financial governance which is less susceptible to legal challenge.

6. RISK ASSESSMENT

6.1 The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. Effective fraud risk management is a preventative tool, when activity is publicised and individuals are aware that matters are investigated and prosecuted, compliance with legislation increases.

6.2 Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.

6.3 If the Council does not have effective counter fraud and anti-corruption controls, it risks both assets and reputation.

7. EQUALITIES IMPACT

7.1 The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

7.2 The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

8. SUSTAINABILITY IMPLICATIONS

8.1 None that are directly applicable.

9. BACKGROUND PAPERS

9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- None.

(END)