



COUNTER FRAUD PROGRESS REPORT 2024-25

01 October 2024 to 31 December 2024

Introduction

The roles of the Counter Fraud function are to:

- Receive, track and, where required, investigate financial irregularities (fraud and error) that occur within Kent County Council;
- Provide advice and support to management in mitigating the risk of financial irregularities occurring within their area; and
- Provide awareness and assess the risk of financial irregularities with management and front-line staff.

The Counter Fraud team work alongside Internal Audit as one function to support work in providing an independent assurance that the control, risk and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives.

The Governance and Audit Committee are asked to:

- Note the Counter Fraud progress report for 2024/25 and reported irregularities from 01 October 2024 to 31 December 2024;
- Note the progress of the Counter Fraud Action Plan for 2024/25.

Key Messages

- Actual loss: Actual losses amount to **£612,962** with the majority subject to full recovery;
- A rise in procurement referrals is showing a greater awareness of this risk within Directorates;
- Kent Intelligence Network (KIN) outcome for the period April 2024 to December 24 has identified **£1.8m**;
- Counter Fraud Plan: Updates on progression against the Counter Fraud Plan can be found within the report and at **Appendix B**.
- The biennial National Fraud Initiative has been released with the outturn shown in **Appendix C**, work is underway to review and clear the matches either by Counter Fraud or the service;
- A review of the Counter Fraud Service against the Fighting Fraud and Corruption Check list has been completed and can be found at **Appendix D**.

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Proactive Work – October 2024 to December 2024

Awareness Campaigns

In November 2024 a Knet campaign was run which coincided with International Fraud Awareness Week, this included raising awareness of, Fraud, Bribery, Cyber Crime and Whistleblowing.

Additionally, awareness sessions have been delivered to Libraires, Registration and Archives Senior Leadership Team and Prospective Head Teachers.

There has also been attendance at the Serious and Organised cross directorate working group to share intelligence and knowledge of fraud risks.

Fraud Risk Assessments.

Counter Fraud have had initial discussions with those leading the Highway Term Maintenance contract on questions to be asked within the invitation to tender to bidders on their approach in preventing fraud within the contract. Once the selection has been completed, this will prompt a full Fraud Risk Assessment to be completed.

Engagement with Public Health has occurred in assessing the risks within a number of contracts being delivered by third parties in relation to stop smoking and drug and alcohol services as part of their transformation programme.

Engagement with a new process to agree the acceptance of grants has ensured there is a prompt for officers to engage with the Counter Fraud team to assess the risk of fraud ahead of accepting the grant.

Work with the Commercial and Procurement Team has seen standard templates updated to include questions on how businesses will meet the principles of failure to prevent fraud within the Economic Crime and Corporate Transparency Act. This has been trialled in a procurement exercise within GET, with most bidders providing robust responses that can be evaluated and provide better information to build a fraud risk assessment against.

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Irregularity Referrals – October 2024 to December 2024 Overview

A further 109 irregularity referrals were received from October 2024 to December 2024, bringing the total number of referral to 375. This is an increase of 32 referrals (10%) against the same period on previous years referrals. An increase in referrals is a good indication of awareness of the need to report irregularities to Internal Audit and Counter Fraud to assess where an investigation is required, ensure risks are assessed and mitigated, identifying lessons to be learnt and financial recovery occurs.

As shown in the subsequent slides and **Appendix A**, there has been increases in irregularities relating to:

- Contract Management – Invoice of services not delivered/ overpayments due to data inputting errors;
- No Recourse to Public Funds (NRPF) – Increase in the number of people claiming support due to destitution and not being able to access public funds;
- Blue Badge misuse – Use of stolen and deceased badges in particular;
- Now reporting irregularities relating to home to school transport.

The types and volumes of irregularities reported are shown in [Appendix A](#)

National Fraud Initiative

The National Fraud Initiative (NFI) is operated by the Cabinet Office and it mandates that Local Authorities provide data to detect fraud and error, with fines being imposed for non-compliance. The NFI is run every two years and requires specific data sets to be provided for this purpose. The Counter Fraud Team have engaged with relevant system owners who have extracted and submitted this data to the NFI, this was completed in October 2024.

Unfortunately due to a legal issue with the Department of Health, social care data is not currently included in the data submission which could identify payments made for deceased people and undeclared income in the financial assessment of social care. Engagement with the Cabinet Office has occurred who have informed legislation is currently being progressed and it is hoped social care data will be included in future submissions.

Results of the NFI output and a description of the match can be found in **Appendix C**. It is worth highlighting that the matches are not confirmation of fraud occurring but an indicator. False positives can occur due to data quality issues.

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Irregularity Referrals by Directorate and Fraud Type – Adult Social Care and Health

There has been a further 9 irregularities (excluding blue badges) reported to Internal Audit and Counter Fraud between October 24 and December 24, bringing the total number of referrals to 39.

Procurement

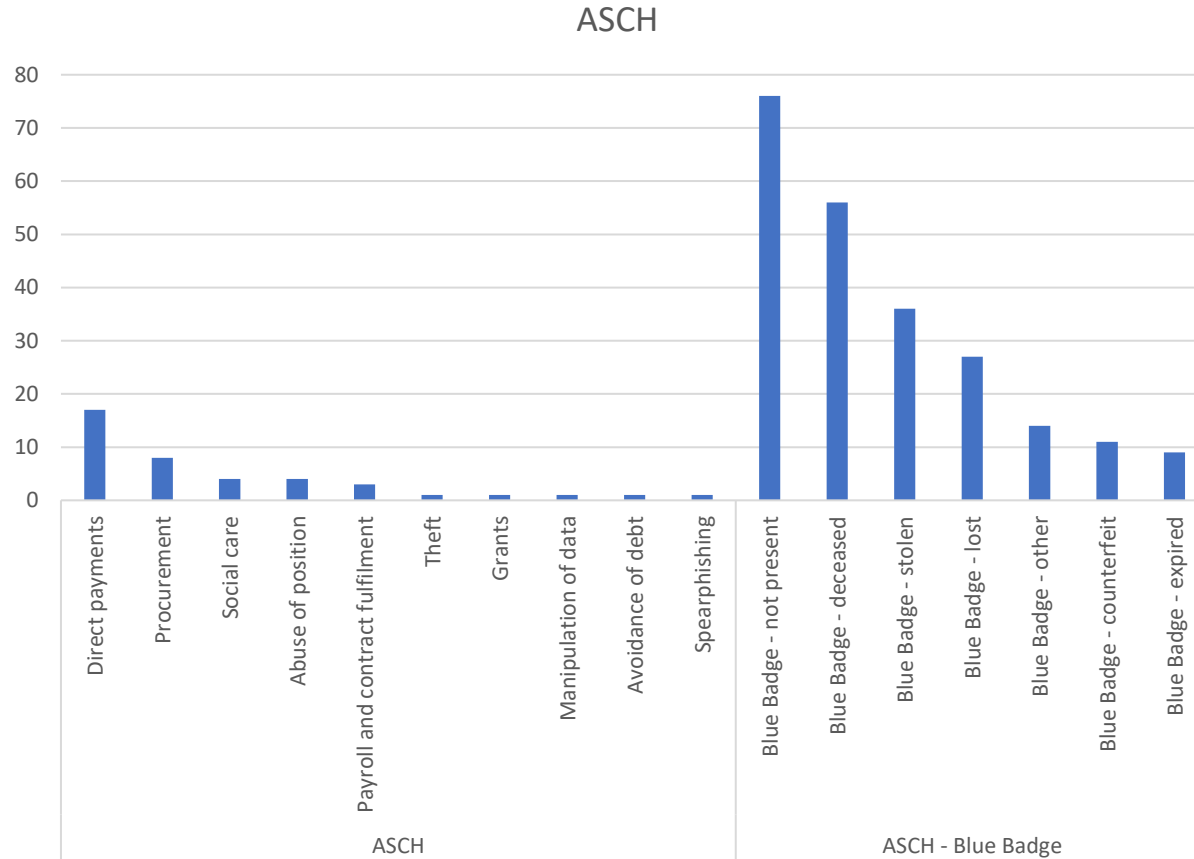
- A further referral (in addition to the five referrals already received) has been received relating to provider invoicing which are currently being progressed with the service to identify what losses may have occurred.

Theft

- Theft of a KCC laptop

Direct Payments

- Three cases relating to irregularities within direct payments that are awaiting allocation.



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Irregularity Referrals by Directorate and Fraud Type – Adult Social Care and Health - Continued

Blue badges:

There has been a further 58 referrals relating to blue badges received from October to December 2024, bringing the total number of referrals in 2024/25 to 216 which is comparable to the same level of referrals received in the same period for 2023/ 2024. The outcomes of these referrals are:

- 171 Penalty Charge Notices being issued across Kent resulting in an estimated £6,000 of additional parking revenue.
- 100 Warning Letters to reminder users of the appropriate use
- 1 prosecution
- 54 badges removed from being misused

The team have progressed a successful prosecution in December 2024. The person received a £256 fine, ordered to pay a £102 victim surcharge and pay the full prosecution costs of £1,014. The person stated she found the blue badge in a car park and kept it as she thought she would use it when needed.

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Irregularity Referrals by Directorate and Fraud Type – Children Young People and Education

No Recourse to Public Funds:

The Counter Fraud Team provide a due diligence check to validate someone’s circumstances when applying for funding under the Childrens Act.

There have been a further 8 referrals for destitution checks from October to December 2024, bring the total number to 24.

Through these checks, positive assurance can be provided to CYPE that the person is destitute and public funds are being used to support KCC statutory duties.

Direct Payments:

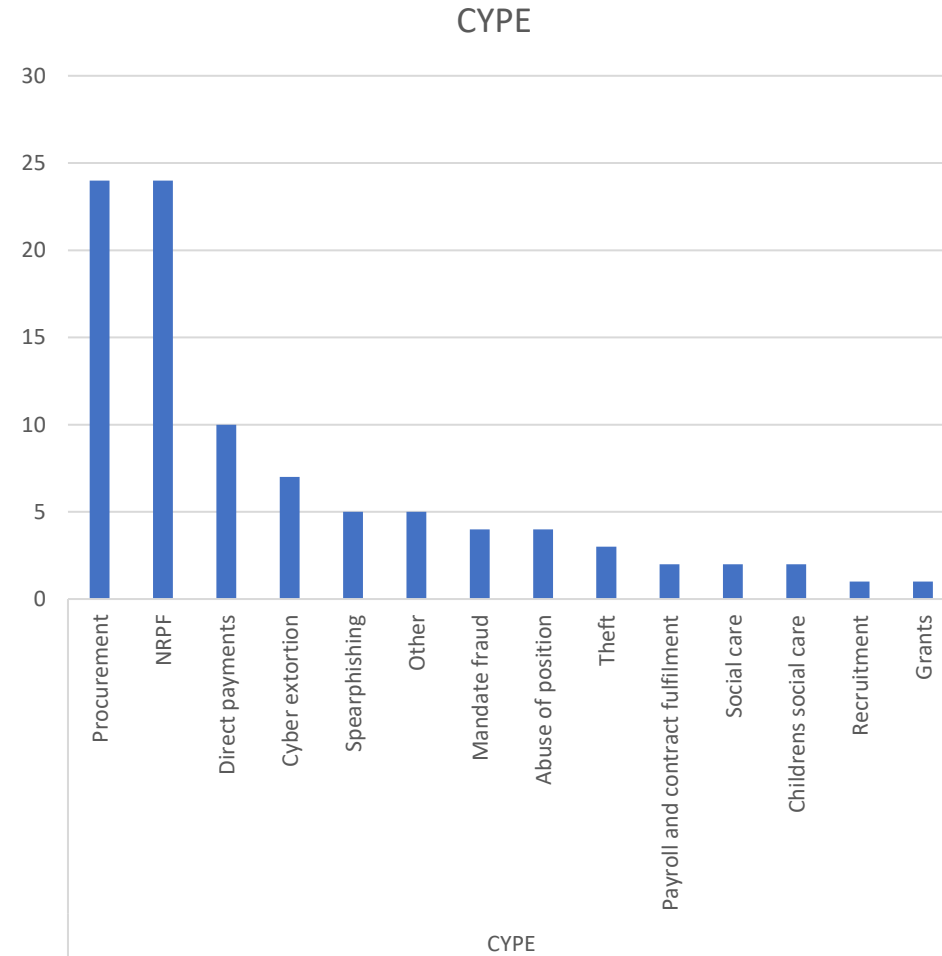
There has been one referral received with a minor loss of £423.

Cyber Fraud/Spear Phishing

Schools continue to be targeted, with 2 further referrals relating to requests to make payments. No actual losses have occurred, there is a prevented loss of £5,850 bringing the total prevented to £41,640 due to the good awareness of these frauds within the reporting schools.

Recruitment

One referral has been received following a complaint from a member of the public who had signed up for a course on the basis they would have a job on completion which did not materialise. This has been referred to Management who have ended the contract with the provider.



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Irregularity Referrals by Directorate and Fraud Type – Children Young People and Education - Continued

Contract Management (Procurement)

Irregularities within the invoicing of Home to School transport by taxi companies have resulted in an increase of referrals relating to invoicing for services not being delivered. These irregularities are managed by the Transport Team within Growth Environment and Transport. The Transport Team identify these irregularities through the checking of invoices and school attendance, the amount overclaimed is then netted off future payments or via invoice if this is not possible. Warning letters are issued to Taxi firms to change behaviour, with contracts being suspended or withdrawn if the behaviour does not change.

For the period April to August 2024 there were 15 cases reported with a value of £29,649 of invoicing for services not being delivered.

Fostering Maintenance Fees:

There has been one reported overpayment relating to maintenance fees, with an actual loss of £7,784, which is subject to full recovery.

Payments continued to a guardian who received payments following a change in circumstances relating to the person they were caring for.

Imprest:

A Management letter has been issued to CYPE to address issues in the management of Imprest within the service. Issues identified included:

- Location and use of safes to store imprest cash were located in open shared offices and were being used to store items not related to imprest;
- Improvements needed in the actions to authorise cash withdrawals and cash reconciliations;
- Training of imprest operators and holders on their roles and responsibilities to meet the requirement of cash handling and operating an imprest;
- The need to update central records of current imprest holders and operators to ensure effective communication of any updates in policy and procedures;

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Irregularity Referrals by Directorate and Fraud Type – Growth, Environment and Transport

Concessionary fares:

4 further referrals relating to misuse of people's concessionary bus pass have been reported. The actual loss is difficult to calculate, however the Department for Transport places a potential loss of £113 where fares are misused through the avoidance of paying bus fares.

Procurement

1 referral in relation to procurement issues is currently under investigation, the 2 other referrals related to home to school transport which are now reported under CYPE.

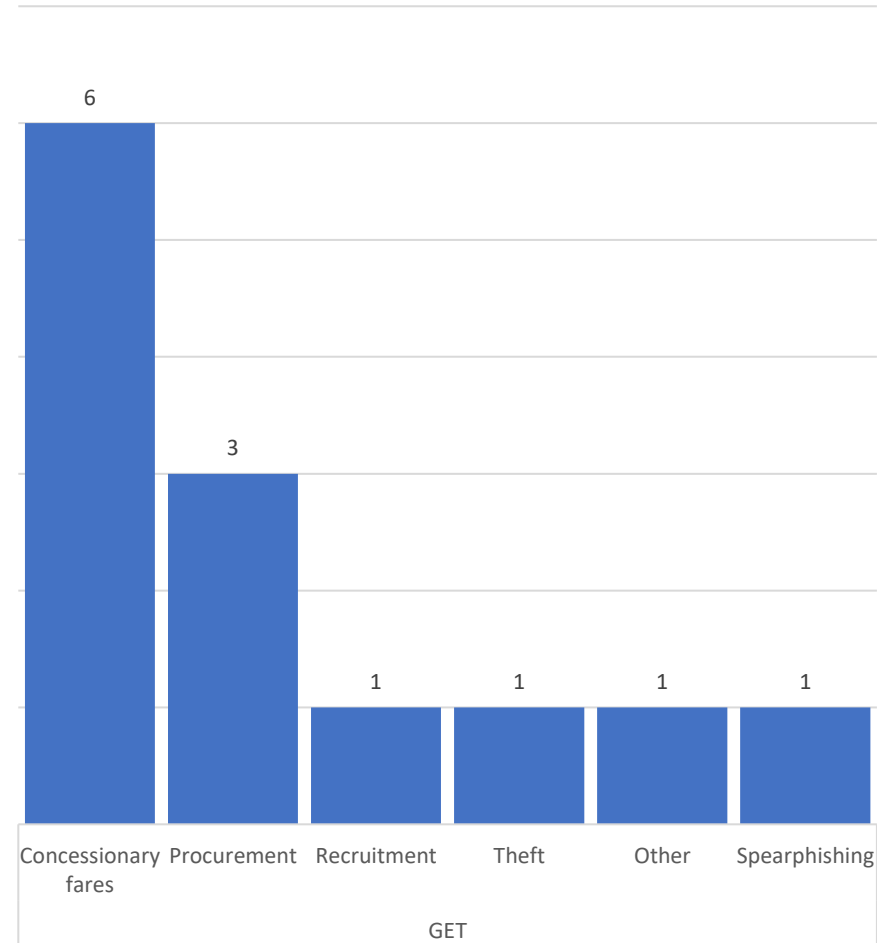
Blue Badges:

Although the Blue Badge scheme is administered by ASCH, the majority of misuse occurs within on-street parking bays, thus having an impact on the amount District/Borough Councils receive from this income and in turn the amount they could potentially return to KCC.

Spear phishing

One attempt to obtain financial information has been reported with appropriate action being taken to alert Cantium and not engaging with person.

Growth, Environmental and Transport



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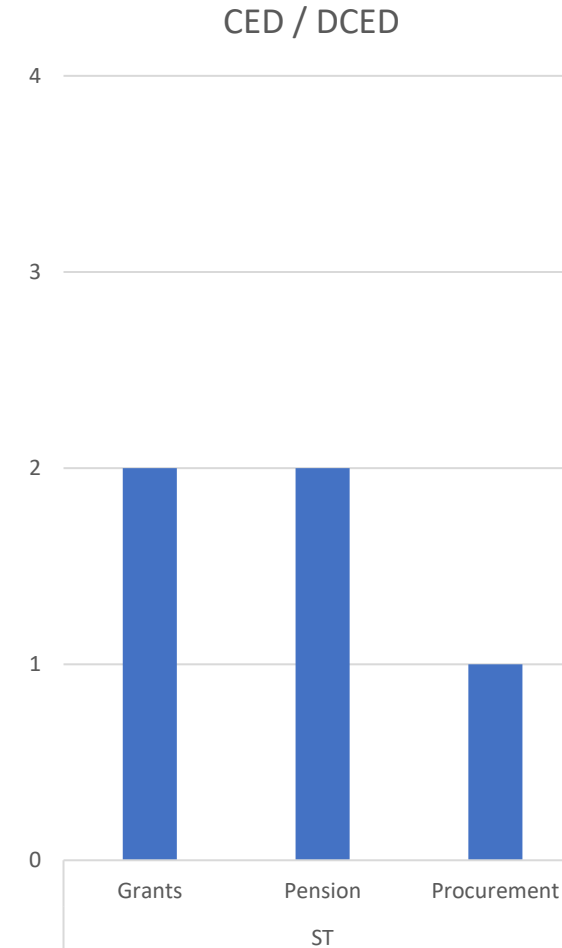
Irregularity Referrals by Directorate and Fraud Type – Chief Executive/ Deputy Chief Executive Departments

Pensions

A further referral has been received relating to an alleged false representation of health in an early retirement due to health case. HR reviewed the circumstances of the case and the records provided to support the application and found no case to answer.

Procurement

One referral has been received and is currently under investigation.



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Kent Intelligence Network (KIN) Overview – 01 April 2024 to 31 December 2024

The KIN continues to provide valuable financial support to KCC, Police, Fire Authority and District Councils and the outcomes for the period 1 April 2024 to 31 December 2024, set out below, show the results and financial returns achieved.

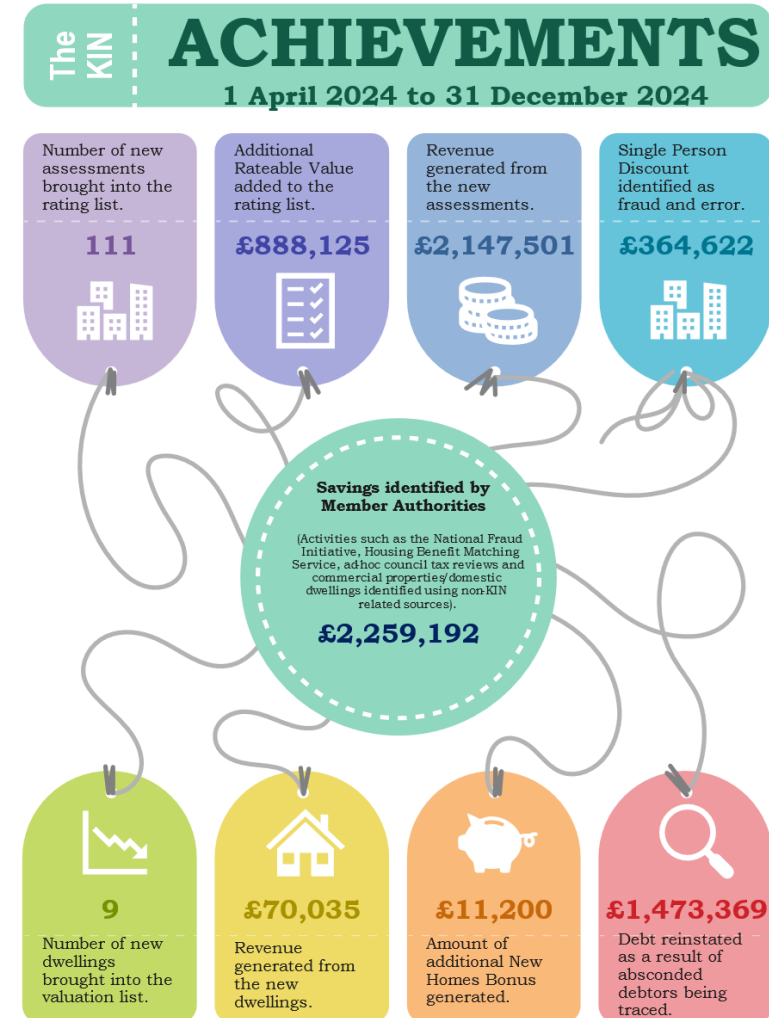
Business Rates

111 commercial properties, amassing a combined rateable value of £888,125, have been identified that were previously missing from the rating list. These properties have now been brought into the list by the Valuation Office Agency (VOA) and consequently, the businesses occupying these properties are now liable for business rates.

The additional business rates revenue generated from the identification of these missing properties is £2,147,501, of which broadly 9% (£193,275) comes to KCC, once collected, is a combination of the following:

- The total amount of business rates billed for both the current financial year and previous financial years of £862,396; and
- A ‘future loss prevention’ provision of 3 years of £1,285,105. This represents the amount of additional income that would have been lost if the respective properties had not been identified by the KIN.

It is also pertinent to highlight that on 31 December 2024 there were 100 cases with the VOA awaiting assessment/valuation, none of which are included in the figures stated above, and a further 138 cases which are currently under investigation by billing authorities.



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Kent Intelligence Network (KIN) Overview – 01 April 2024 to 31 December 2024

Council Tax

The KIN also helped to identify dwellings missing from the valuation list and an additional 9 dwellings have been identified in this financial year.

The additional council tax revenue generated from the identification of these missing properties is £70,035, of which broadly 73% (£51,125) comes to KCC, once collected, is a combination of the following:

- The total amount of council tax billed for both the current financial year and previous financial years is £20,034; and
- A 'future loss prevention' provision of 3 years of £50,001. This represents the amount of additional income that would have been lost if the respective dwellings had not been identified by the KIN.

It is also pertinent to highlight that on 31 December there were 7 cases with the VOA awaiting assessment/valuation, none of which are included in the figures stated above, and a further 10 cases which are currently under investigation by billing authorities.

Dwellings added to the valuation list also help to generate additional New Homes Bonus (NHB) for both Districts and KCC. It is estimated that the 9 dwellings identified will generate £11,200, of which 20% (£2,240) comes to KCC.

In respect of the £1,473,369 that has been traced from absconded council tax debtors, this will generate additional income for KCC, depending on the amount that is collected. Even if a bad debt provision of 30% is applied to the amount of debt brought back into recovery, KCC would broadly receive 73% of £1,031,358, once collected, and this would amount to £752,891.

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Kent Intelligence Network (KIN) Overview – 01 April 2024 to 31 December 2024

Finally, the proactive work being done in respect of identifying erroneous claims for Council Tax Single Person Discounts has resulted in the additional billing of Council Tax amounting to £364,622, of which broadly 73% (**£266,174**) comes to KCC, once collected.

In total, the financial benefit to KCC from the KIN related initiatives and successes detailed above amounts to **£1,265,705**.

It is also important to highlight the investment made by KCC to help billing authorities achieve these outcomes. This investment is by way of an annual grant given to the respective billing authorities, the components for which are broken down as follows:

- A grant of £400,954 for the provision of additional resources to help carry out KIN related work, and also to assist with non-KIN related initiatives that help to increase the tax base and rates base.
- A grant of £19,710 towards a product that helps to trace absconded council tax debtors.

Solely in respect of KIN related work, the financial return to KCC so far for 2024/25 is **£845,041** (this figure is derived from the total financial benefit to KCC, less the grants given to billing authorities to help achieve the outcomes detailed above).

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Counter Fraud Action Plan 2024/2025

Updates to the 2024/25 Counter Fraud Action Plan are set out in Appendix B.

The balance between pro-active and re-active work continues to be a challenge within resource levels. Resource levels below include staff working within the shared service with Tonbridge and Malling Council (0.2 FTE Counter Fraud Manager, 1 FTE Counter Fraud Technician & 0.8 FTE Intelligence Officer).

The Action Plan is being delivered for 2024/ 25 with an increase of awareness being seen through more irregularities being reported, this helps inform areas of risk and where needed inform audits in these areas.

Counter Fraud Resources

Position	Current number of employees
Counter Fraud Manager	1
Counter Fraud Specialists	3
Counter Fraud Technician	2
Intelligence Officer	0.8
Intelligence Assistant	1

Two of the team are on maternity leave, with one position being filled through another member of the team acting up (with their position being backfilled with a temporary contract) and temporary contract for the other position.

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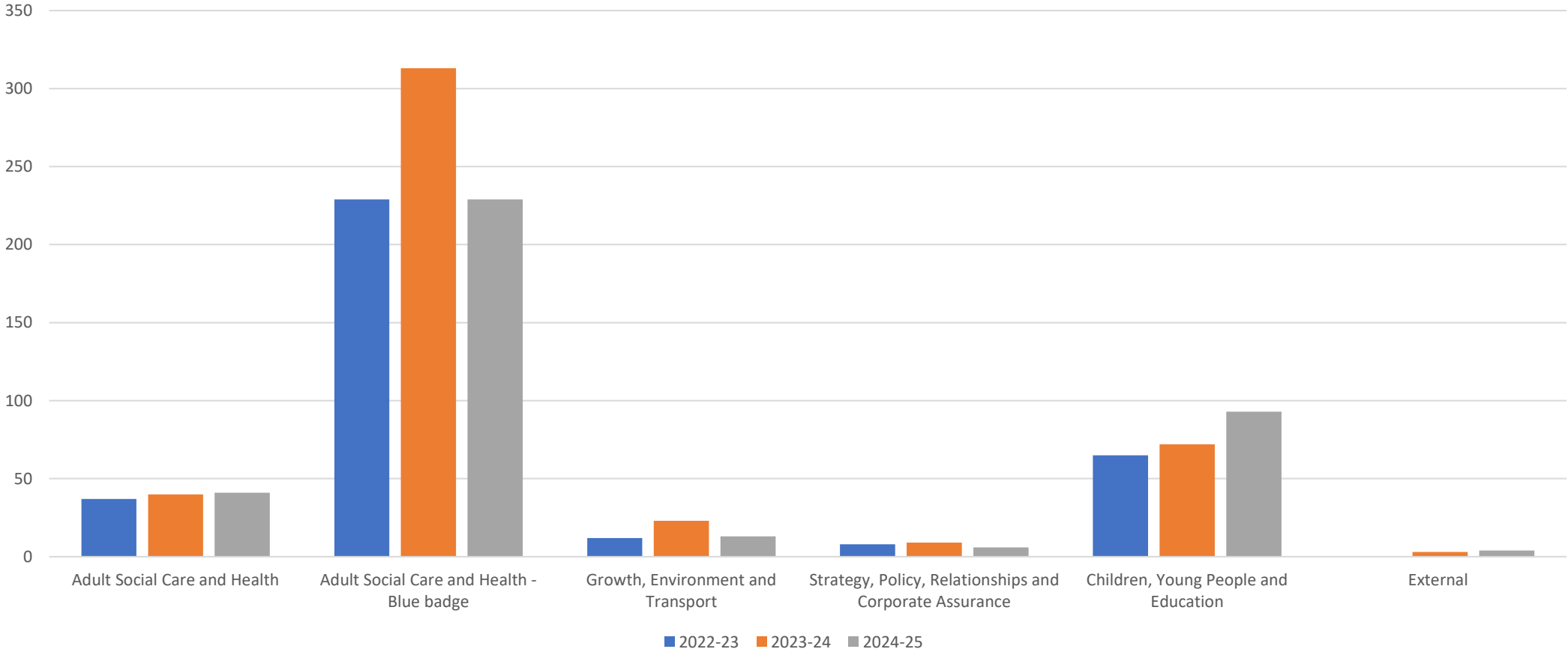
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Appendix A - Year on Year Comparison – by Directorate

While Blue Badge cases still represent the largest number of referrals the Counter Fraud service receives, there has been increases of referrals in relation to contract management (procurement). ASCH and CYPE represent the highest proportion of our caseload.



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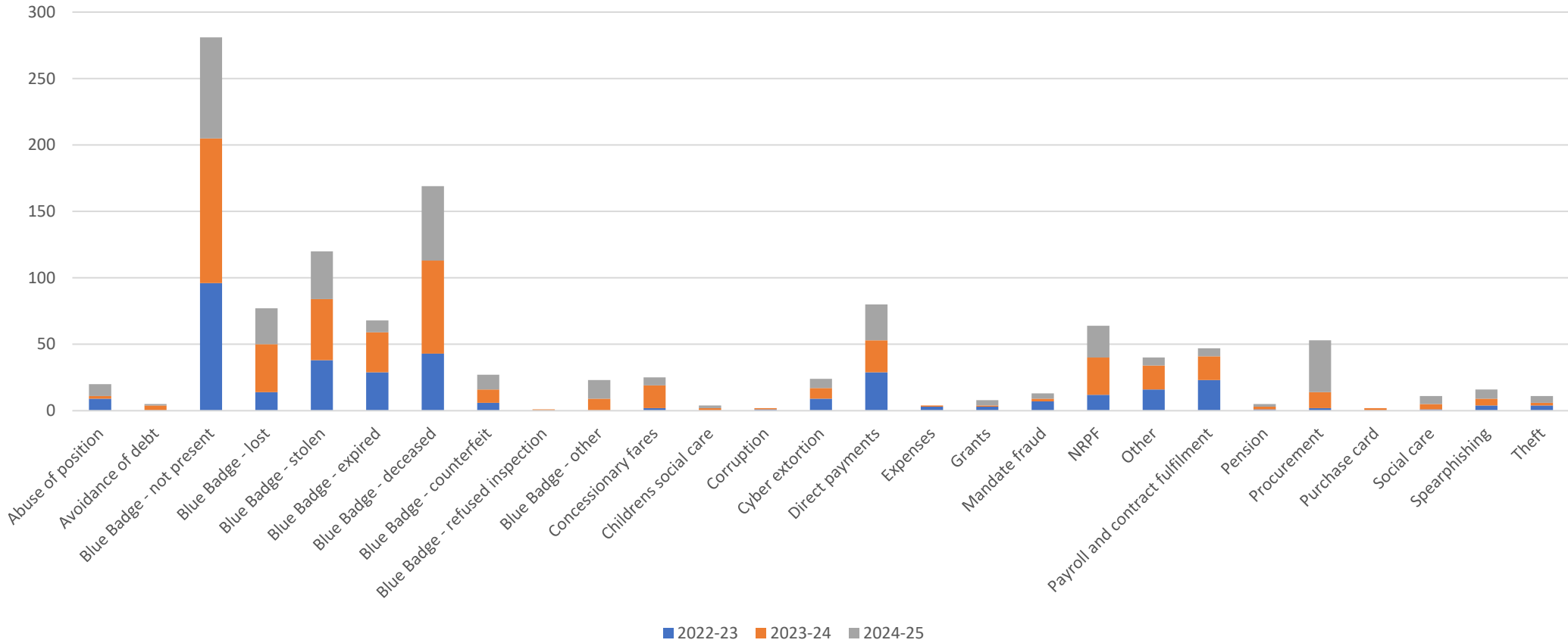
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Appendix A - Year on Year Comparison – by Fraud Type

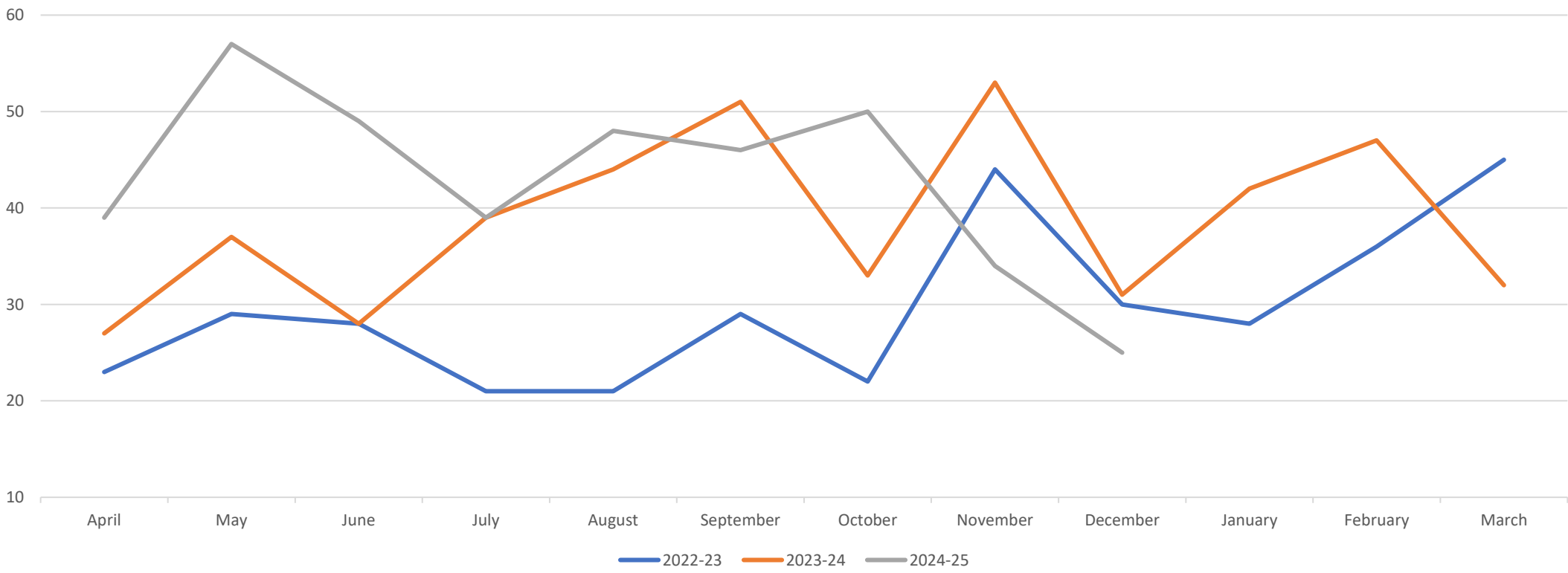
This slide demonstrates that Direct Payments have historically been the biggest risk of fraud after blue badges. This year however, the number of procurement related and NRPF referrals received has a greater financial risk to KCC.



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Appendix A - Year on year comparison – by Month Received

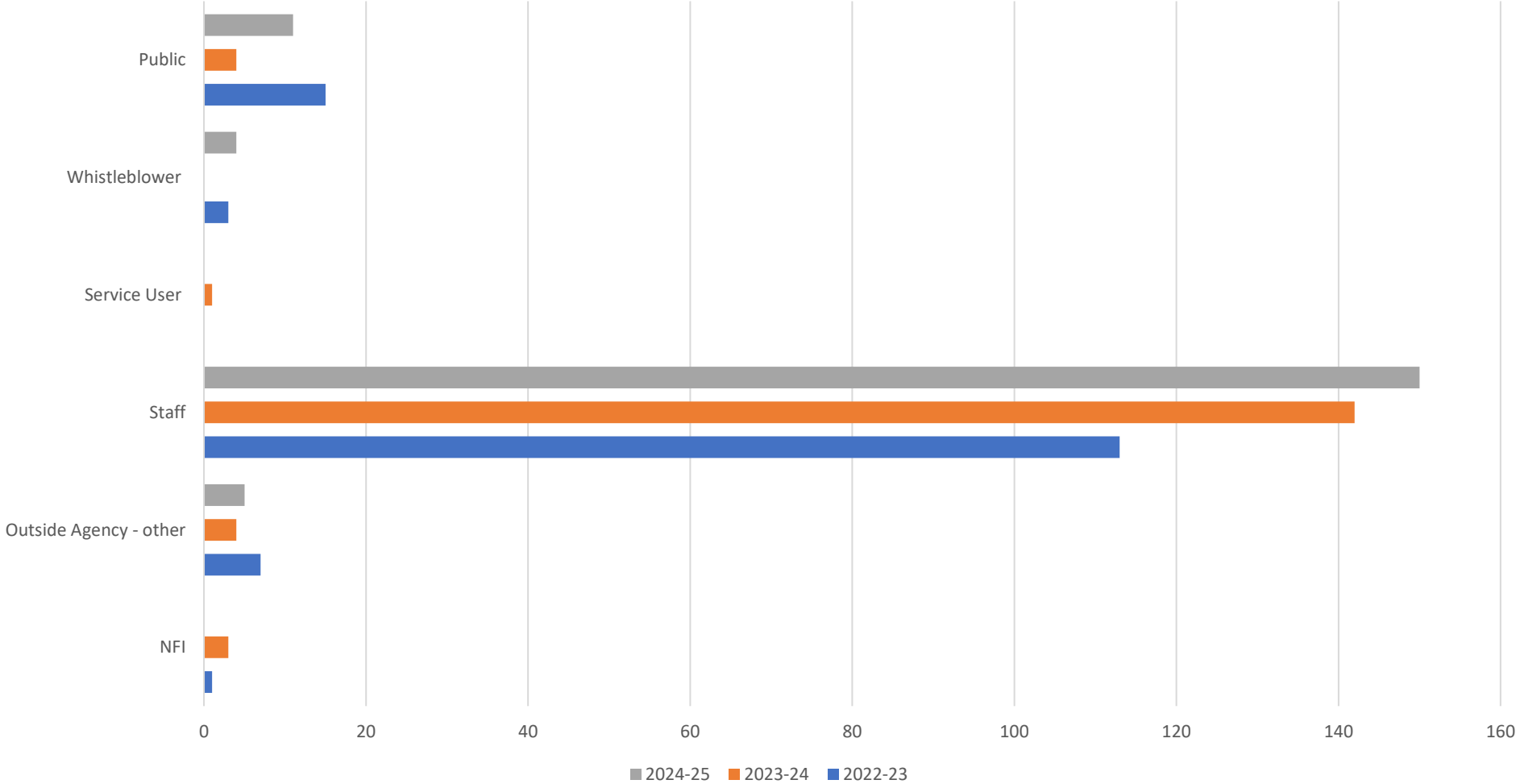
Referrals from April to December 2024 are still averaging over 40 per month.



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Appendix A - Year on Year Comparison – by Source of Referral

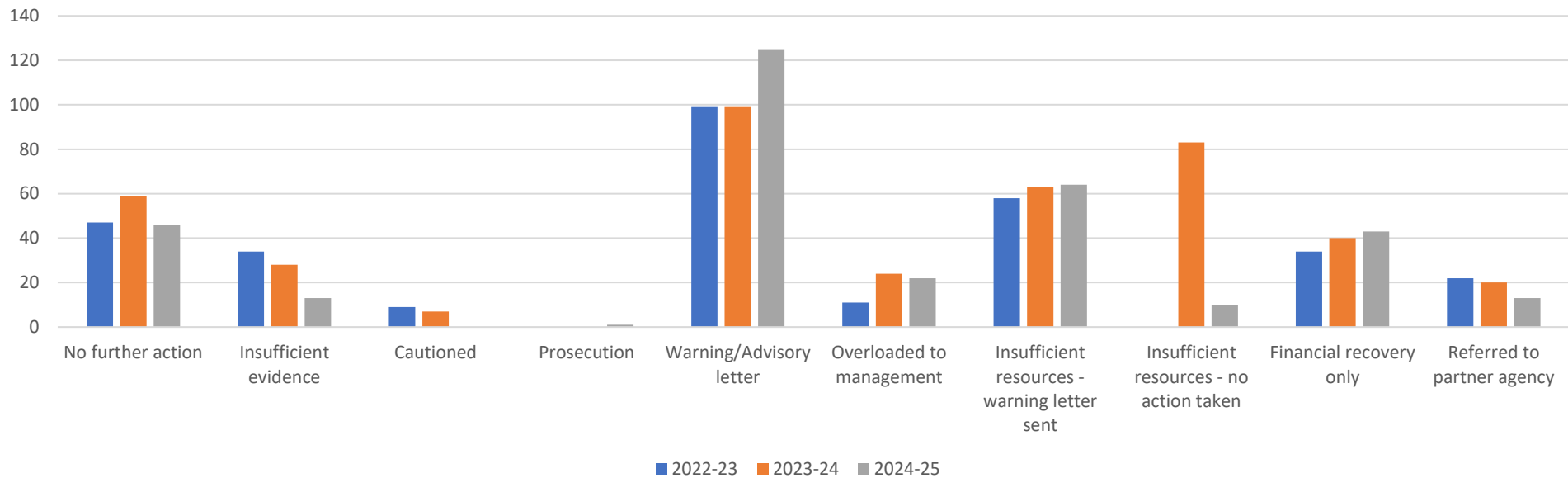
Relationship management/ awareness is working as in most cases, the number of referrals received from KCC staff is increasing.



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Appendix A - Year on year comparison – by outcome

The increase in the number of referrals, in particular blue badge referrals, has resulted in some referrals not being progressed due to work on more complex cases taking priority.



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Blue Badge Referrals – By type and Referring Parking Team

Ashford Borough Council continue to detect more blue badge misuse than other District/ Borough Councils, however we continue to see a marked increase of referrals being received from Maidstone and Swale councils.

Blue Badge misuse type	Number of referral
Blue Badge – counterfeit	11
Blue Badge - deceased	56
Blue Badge - expired	9
Blue Badge - lost	27
Blue Badge - not present	76
Blue Badge - other	14
Blue Badge - stolen	36
Grand Total	229

Parking Enforcement area	Number of referrals
Ashford Borough Council	67
Canterbury City Council	19
Dartford Borough Council	2
Dover District Council	3
Gravesham Borough Council	18
Maidstone Borough Council	43
Sevenoaks District Council	10
Swale Borough Council	49
Thanet District Council	2
Tonbridge and Malling Borough Council	1
Tunbridge Wells Borough Council	2
Total	216

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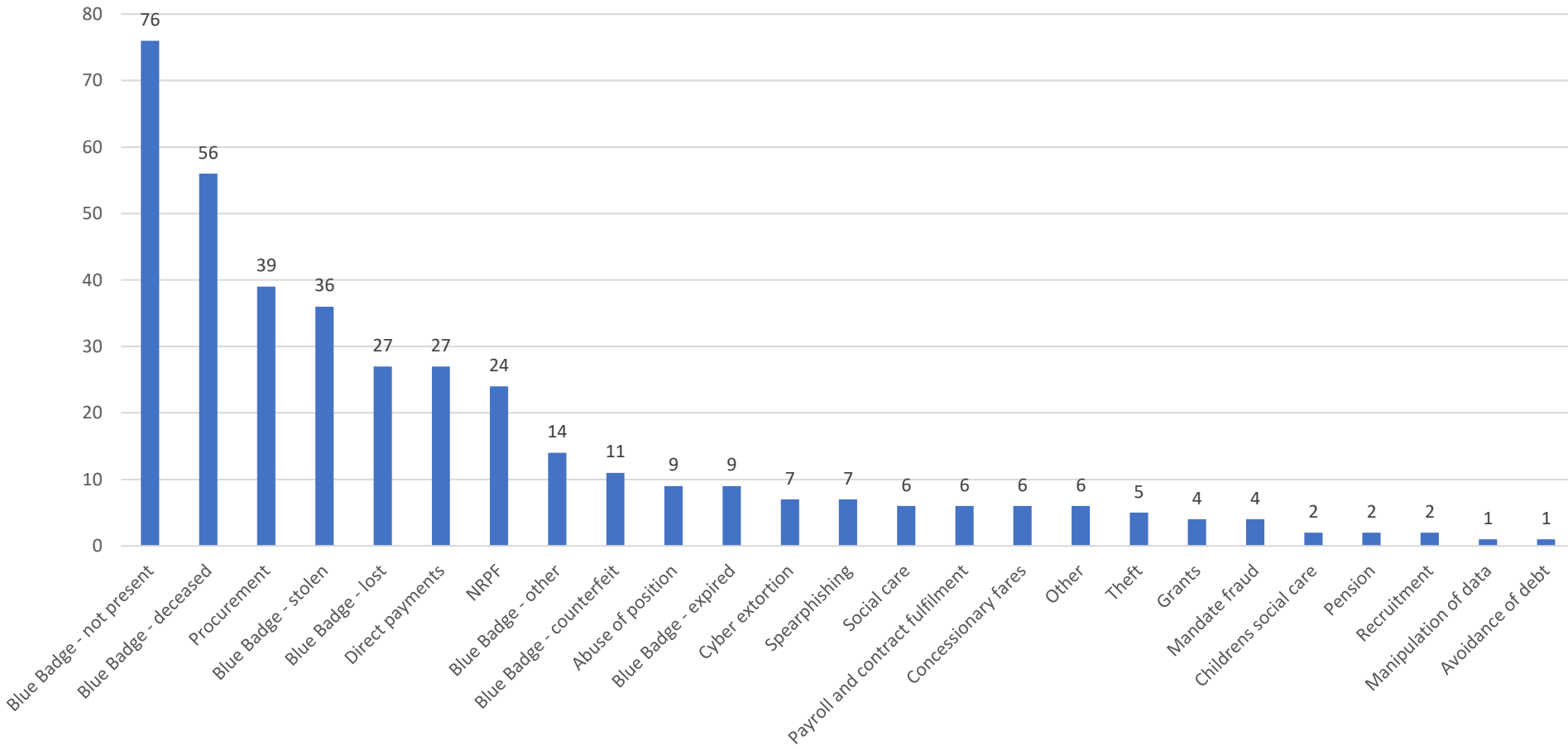
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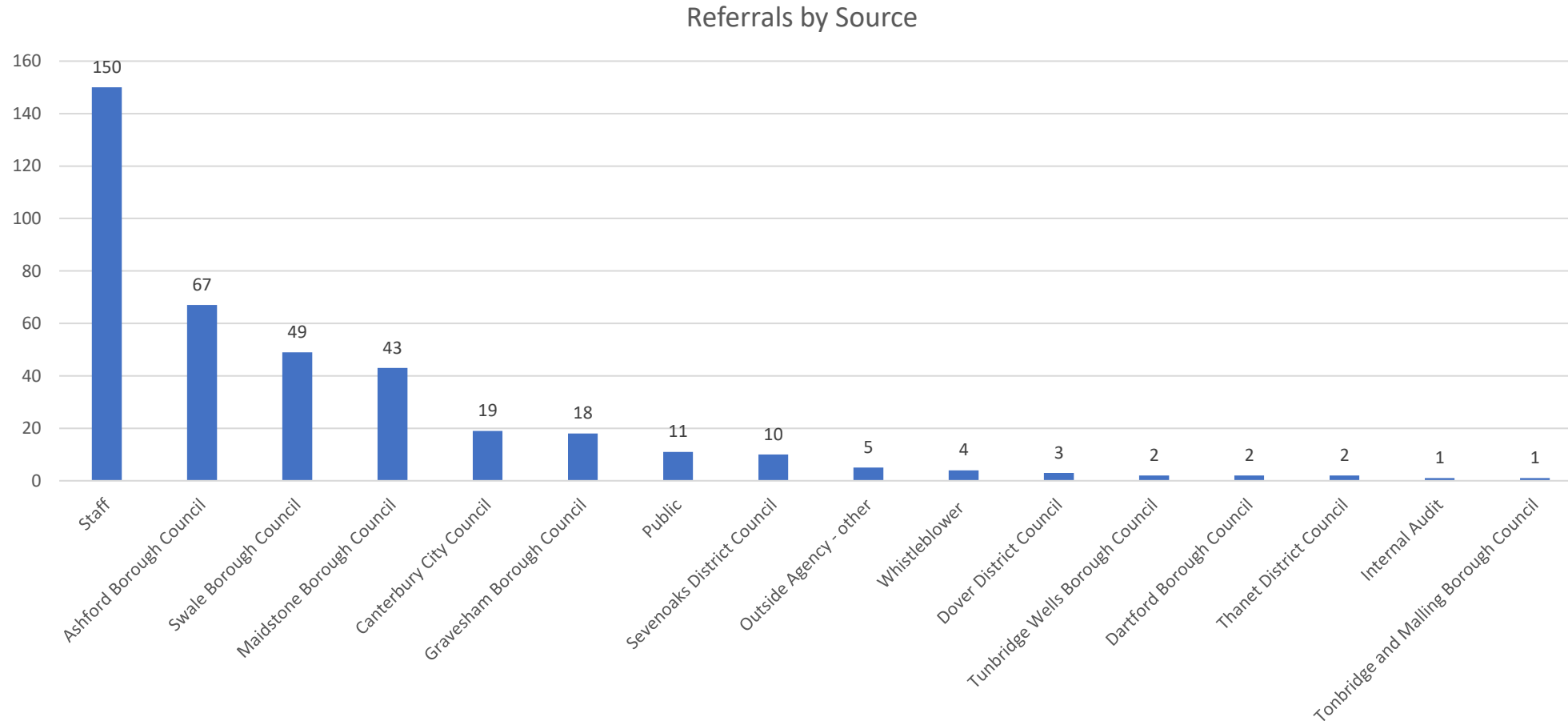
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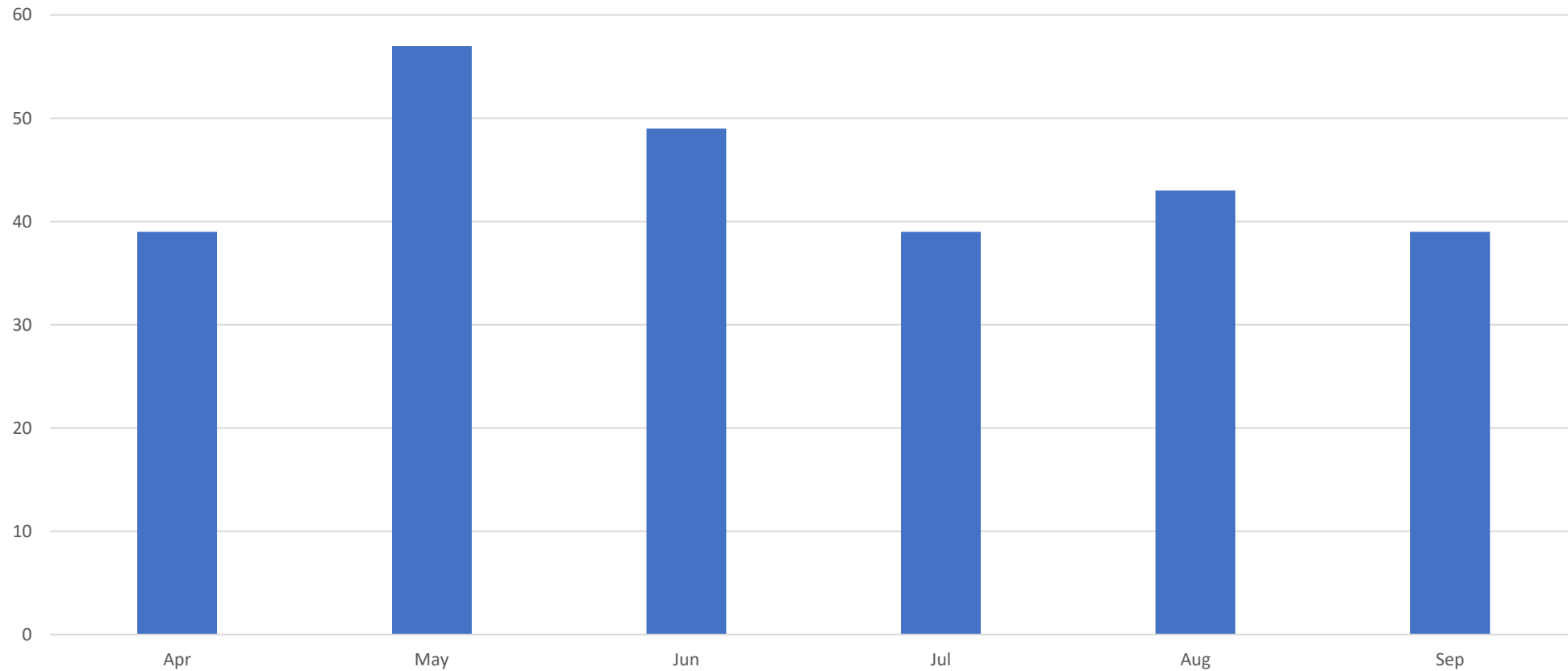


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Appendix B: Fraud Action Plan 2024/25

Pillar	Activity	Detail	Update
Govern - Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Counter Fraud Update, Audit Committee	A quarterly Counter Fraud update will be provided to Corporate Management Team and the Audit Committee to demonstrate the activities undertaken by the Counter Fraud Team against the plan to prevent and detect Fraud, Bribery and Corruption.	<p>In progress – Progress report for 2024/25 reported to CMT and November 2024 G&A.</p> <p>Further Progress report for 2024/25 reporting to March 2025</p> <p>In addition, fraud and error awareness presentation to Cabinet completed.</p>
Acknowledge - An organisation must acknowledge and understand fraud risks and demonstrate this by having the right support and appropriate resource to tackle fraud.	Fighting Fraud and Corruption Locally Checklist	The Counter Fraud Team to undertake an assessment of the authority against the Fight Fraud and Corruption Locally Checklist.	In progress – Completed in January 2024, next review reporting to G&A March 2025.
	Fraud Risk Assessments	The Counter Fraud Team to undertake an assessment of current risk registers across the Council to identify if fraud risks have been identified and controls are in place to mitigate the risk. Including risks associated to the Economic Crime and Corporate Transparency Act (failure to prevent fraud). To work with Governance and Law to embed fraud risk assessments within the Key Decision process.	<p>In progress – see proactive slide. One fraud risks assessment in fieldwork following the identification of fraud.</p> <p>Engagement with Governance and Law to include the need for fraud risk assessment in key decision process.</p> <p>The grant acceptance process also has a requirement for a fraud risk assessment to be completed prior to acceptance.</p>
	Relationship Management	Strengthening the anti-fraud culture within the organisation requires Counter Fraud to continue with relationship management meetings to report on emerging and current fraud risks identified through investigations.	In progress – Meetings held with senior officers. Attendance at the task and finish group for supporting living to challenge and support management.
	Whistleblowing Hotline and log	The Counter Fraud Team manage the Councils Central Whistleblowing Log and the Whistleblowing helpline.	In progress – Substantial assurance provided on the whistleblowing arrangements.

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Pillar	Activity	Detail	Update
Prevent - Fraud can be prevented and detected by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture	Fraud Awareness	Deliver fraud awareness training to teams to ensure that sessions delivered to officers on a risk- based approach. The training will seek to raise awareness about new emerging fraud risks and current risks, continue to strengthen the anti-fraud culture (including failure to prevent fraud) and deliver messages about the standards expected of staff and the reporting of fraud and financial irregularities.	In progress see proactive section in main report for update.
	Internal Audit	The Counter Fraud Team will review draft engagement plans to ensure any issues identified through investigations or relationship management meetings help inform the scope of any audits.	In progress – Draft engagement plans review by Counter Fraud Manager and/ or Counter Fraud Specialist to provide advice to IA.
	International Fraud Awareness Week Campaign	To deliver an internal campaign to officers during International Fraud Awareness week.	Completed – Communication plan supported by internal communications supporting the delivery of key messages.
	National Fraud Initiative	The Counter Fraud Team will lead on the NFI exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Resources will be allocated and based on specific expertise and knowledge – this means matches can be dealt with promptly. A nominated person from each of the data sets will be identified and liaised with through the project to ensure matches are cleared.	In progress – Data specification and project timetable shared with services, data received and uploaded to the NFI. Expecting output from data match mid-December. Engagement with services next step to inform approach to investigate and clear matches.
	Kent Intelligence Network	The Counter Fraud Team will support the Kent Intelligence Network on activities that benefit KCC and the wider Kent Residents/.	In progress – See update on KIN

Appendix B: Fraud Action Plan 2024/25

Pillar	Activity	Detail	Update
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	Investigations	<p>The Counter Fraud Team will apply a risk-based approach to investigating all instances of actual, attempted and suspected fraud and financial irregularities. The Counter Fraud Team will ensure;</p> <ul style="list-style-type: none"> that any investigation is carried out in accordance with Council policy and procedures, key investigation legislation and best practice the Council’s disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour by a Council employee Appropriate sanctions are applied. 	In progress – outcomes and referral rates reported in main report.
	Partnership Working	To maintain and develop working with key partner agencies in the prevention and detection of fraud such as the Kent Intelligence Network, Local Authorities, Kent Police as well as internal teams within KCC.	In progress – SE County Council Fraud Hub engagement, London Fraud Investigation Group engagement, Kent Fraud Panel engagement.

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Type	Match ID	Match name	Purpose of match	Total number of matches
Pensions	52	Pensions/Pension Gratuity to DWP Deceased	The purpose of the match is to identify instances where an occupational pensioner has died but the pension is still being paid.	250
	53	Deferred Pensions to DWP Deceased	The purpose of the match is to identify instances where the former employee has passed away, but payment of any widow/dependant entitlement may not have commenced.	45
	54	Pensions to Payroll	To identify pensioners who may have gone back into employment that could result in an abatement of their pension. Generally, abatements apply in instances where the pay from the new employment plus the pension exceeds the level of pay at the time of retirement.	179
	55	Pensions to Payroll	To identify pensioners who may have gone back into employment that could result in an abatement of their pension. Generally, abatements apply in instances where the pay from the new employment plus the pension exceeds the level of pay at the time of retirement.	201

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Payroll	65	Payroll to Payroll	To identify individuals who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or are taking long-term sickness absence from one employer and working for another employer at the same time.	6
	66	Payroll to Payroll	The criteria for a match are a person having one full-time post plus at least one other post elsewhere.	49
	67.2	Payroll to Payroll - Email Address	Payroll Data Matched on Email Address or Phone Number: The purpose of these matches is to identify fraudsters that may have changed their names or are using false identities to avoid detection. There is evidence to indicate they often keep the same phone number or email address for convenience or to facilitate the fraudulent activity.	
	68.1	Payroll to Payroll - Phone Number	To identify individuals who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or are taking long-term sickness absence from one employer and working for another employer at the same time. The criteria for a match are a person having one full-time post plus at least one other post elsewhere. Payroll Data Matched on Email Address or Phone Number: The purpose of these matches is to identify fraudsters that may have changed their names or are using false identities to avoid detection. There is evidence to indicate they often keep the same phone number or email address for convenience or to facilitate the fraudulent activity.	TBC
	78	Payroll to Pensions	To identify cases where employees who have gone back into employment after drawing a pension that could result in an abatement of pension. Although investigation of these cases would normally be undertaken by the pension scheme, details of the matches where earnings in excess of £15,000 (for the six months the data submission covers i.e. £30,000 per annum) have been provided to allow you to identify any sensitive cases i.e. involving senior employees or employees in a position of trust.	1
	80	Payroll to Creditors	The match identifies instances where an employee and creditor are linked by the same bank account (report 80) or the same address (report 81) to identify employees with interests in companies with which your organisation is trading. This may indicate potential undeclared interests and possible procurement corruption or where a member of staff has set up a creditor with their own bank details in order to receive payments they are not entitled to.	7
	81	Payroll to Creditors	The match identifies instances where an employee and creditor are linked by the same bank account (report 80) or the same address (report 81) to identify employees with interests in companies with which your organisation is trading This may indicate potential undeclared interests and possible procurement corruption or where a member of staff has set up a creditor with their own bank details in order to receive payments they are not entitled to.	2

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Blue Badge	170	Blue Badge Parking Permit to Blue Badge Parking Permit	The purpose of this match is to identify people who may have committed fraud by obtaining more than one blue badge.	18
	170.1	Blue Badge Parking Permit to Blue Badge Parking Permit	The purpose of this match is to identify people who may have committed fraud by obtaining more than one blue badge.	2
	172.1	Blue Badge Parking Permit to DWP Deceased	Individuals who have a blue badge have been matched to deceased records. This will identify cases where a permit holder has died, but the local authority may not have been notified.	2476
	172.7	Blue Badge Parking Permit to Blue Badge Parking Permit - Phone Number	The purpose of this match is to identify people who may have committed fraud by obtaining more than one blue badge.	208
	172.8	Blue Badge Parking Permit to Blue Badge Parking Permit - Phone Number	The purpose of this match is to identify people who may have committed fraud by obtaining more than one blue badge.	364
	172.9	Blue Badge Parking Permit to Blue Badge Parking Permit - Email Address	The purpose of this match is to identify people who may have committed fraud by obtaining more than one blue badge.	182
	303	Blue Badges to Amberhill Data	Identity fraud happens when fraudsters use a false identity or somebody else's identity details to support their criminal and deceptive activities. The NFI uses the Metropolitan Police Fraudulent Identity (Amberhill) Data to help identify potential fraud being perpetrated against NFI participating bodies through the use of these false identities including fraud by false representation (Section 2 - Fraud Act 2006).	1
	304	Blue Badges to Amberhill Data	Identity fraud happens when fraudsters use a false identity or somebody else's identity details to support their criminal and deceptive activities. The NFI uses the Metropolitan Police Fraudulent Identity (Amberhill) Data to help identify potential fraud being perpetrated against NFI participating bodies through the use of these false identities including fraud by false representation (Section 2 - Fraud Act 2006).	8

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Concessionary Fares	172.2	Concessionary Travel Passes to DWP Deceased	Individuals who have a concessionary travel pass have been matched to deceased records. This will identify cases where a permit holder has died, but the local authority may not have been notified	3558
	306	Concessionary Travel Passes to Amberhill Data	Identity fraud happens when fraudsters use a false identity or somebody else's identity details to support their criminal and deceptive activities. The NFI uses the Metropolitan Police Fraudulent Identity (Amberhill) Data to help identify potential fraud being perpetrated against NFI participating bodies through the use of these false identities including fraud by false representation (Section 2 - Fraud Act 2006).	1
	307	Concessionary Travel Passes to Amberhill Data	Identity fraud happens when fraudsters use a false identity or somebody else's identity details to support their criminal and deceptive activities. The NFI uses the Metropolitan Police Fraudulent Identity (Amberhill) Data to help identify potential fraud being perpetrated against NFI participating bodies through the use of these false identities including fraud by false representation (Section 2 - Fraud Act 2006).	1

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Creditors	700	Duplicate creditors by creditor reference	Duplicates identified in this match suggest poor creditor management as the system has permitted a creditor reference to be used more than once.	TBC
	701	Duplicate creditors by creditor name	To identify instances where the same supplier has been set up with more than one reference number on the system thus increasing the potential for creditors to obscure fraudulent activity.	TBC
	702	Duplicate creditors by address detail	To identify multiple creditors operating at the same address. These may represent simple errors, where the same creditor may have been set up twice using a slightly different spelling, for example LIMITED and LTD, or an attempt to obscure fraudulent activity.	19
	703	Duplicate creditors by bank account number	<p>This output shows where the same bank account details appear on more than one record. Of particular interest is where the same bank details are shown against suppliers with different names. These may indicate where a supplier has changed trading name but the standing data has not been updated to reflect this or there are links between companies with different trading names.</p> <p>Please note that some building society accounts are differentiated by sort code, account number and roll number (or personal reference number). Therefore, for such accounts where the roll (or personal reference) number has not been provided, this match may only indicate that the creditors involved share the same building society, not necessarily the same account.</p> <p>This report only contains Creditors for whom raised payable invoices were included within the invoice history data submitted for the NFI. In addition, if the 'Creditor Type' has been provided for each Creditor when submitting your data, and you wanted to restrict your area of investigation, the matches can be filtered to show just those Creditor types you are interested in.</p>	16
	707	Duplicate records by reference, amount and creditor reference	This match highlights possible duplicate payments in excess of £500 that may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.	1
	708	Duplicate records by amount and creditor reference	<p>This match highlights possible duplicate payments in excess of £1,000 that may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff. There are likely to be more matches than in report 707 as this report does not require the invoice reference field to match.</p> <p>Please Note: Matches involving three or more invoices have been pre-filtered out as our evidence suggests that these are usually periodic payments, for example, monthly building lease or utility payments.</p>	23582
	709	VAT overpaid	This report identifies instances where VAT may have been overpaid. This is based on the information provided within the NFI invoice history data submission and the output includes the level and scale of overpaid VAT. The VAT amount is compared to a calculated maximum VAT of 20%, the maximum VAT rate in the payment period covered by the NFI exercise.	127
	711	Duplicate records by invoice number and amount but different creditor reference and name	This match highlights possible duplicate payments for the same goods/services but to creditors with different reference numbers, which may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.	12
	712	Duplicate records by postcode, invoice date and amount but different creditor reference and invoice number	This match highlights possible duplicate payments for the same goods/services but to creditors with different reference numbers, which may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.	2
	713	Duplicate records by postcode, invoice amount but different creditor reference and invoice number and date	This match highlights possible duplicate payments for the same goods/services but to creditors with different reference numbers, which may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.	10

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Procurement	750	Procurement - Payroll to Companies House (Director)	<p>To identify potential undeclared interests that have given a pecuniary advantage. To do this we have matched your payroll data to companies house information and then to your creditors data.</p> <p>The reports are split between those highlighting employees who appear to be registered directors of companies that the employing body has traded with (Report 750) and those where the employees address appears to have links to the company directors or the company (Report 752).</p>	3
	752	Procurement - Payroll to Companies House (Director)	<p>To identify potential undeclared interests that have given a pecuniary advantage. To do this we have matched your payroll data to companies house information and then to your creditors data.</p> <p>The reports are split between those highlighting employees who appear to be registered directors of companies that the employing body has traded with (Report 750) and those where the employees address appears to have links to the company directors or the company (Report 752).</p>	11
MOR	9999	Multiple occurrence report	Report 9999 brings together individuals who appear as a match in more than one of the NFI reports. This can alert investigators that there may be more than one issue to consider and potentially save time avoiding duplication of work on a match found later on.	887
Payroll to Council Tax Reduction Scheme	461	Payroll to Council Tax Reduction Scheme	<p>To identify cases where senior employees (or employees in a position of trust) are in receipt of council tax reduction but are potentially not declaring their employment income which may remove entitlement to the reduction or reduce the reduction amount.</p> <p>Refer to the 'Additional Information' below regarding cases where the national insurance number matches but the personal details held on each system are different, as these matches should not simply be ignored.</p>	1
	462	Payroll to Council Tax Reduction Scheme	<p>To identify cases where senior employees (or employees in a position of trust) are in receipt of council tax reduction but are potentially not declaring their employment income which may remove entitlement to the reduction or reduce the reduction amount.</p> <p>Refer to the 'Additional Information' below regarding cases where the national insurance number matches but the personal details held on each system are different, as these matches should not simply be ignored.</p>	1

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Senior Stakeholders	Checklist Requirement	Counter Fraud Lead Assessment
Chief Executive Officer	Ensure that your authority is measuring itself against the checklist for FFCL	CMT Report presented the outcome and actions required to be completed, which will be reported further to the Governance and Audit Committee
	Is there a trained counter fraud resource in your organisation or do you have access to one?	Yes – Five staff (Counter Fraud Manager, 3 x Counter Fraud Specialists and one Counter Fraud Technician) are Accredited Counter Fraud Specialists., one Intelligence Assistant receiving apprenticeship training. .
	Is the audit committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this?	Standalone Counter Fraud Report sent to G&A Committee which covers the work on counter fraud, external audit present at meetings and has access to Counter Fraud Report as a publicly available document.
Section 151 Officer	Is there a portfolio holder who has fraud within their remit?	Yes – Leader of the Council has Internal Audit & Counter Fraud within their portfolio as per the Constitution. In addition, the Deputy Leader of the Council has finance within their portfolio.
	Is the head of internal audit or counter fraud assessing resources and capability?	Yes – a review of resources in 2024/25 identified the need to increase resources due to the increasing risk of fraud being committed against KCC. Awaiting decision of budget.
	Do they have sufficient internal unfettered access?	Yes – However there has been some relevant challenge on access by business units to ensure they are compliant with Data Protection Requirements.
	Do they produce a report on activity, success and future plans and are they measured on this?	Reported via G&A Committee which is issued to CMT, this covered current activity, successes and future plans. However, we welcome feedback from both CMT and G&A to ensure that there is relevant challenge.

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The Monitoring Officer	Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?	Yes – Covered in the Counter Fraud Report.
	Is the fraud team independent of process and does it produce reports to relevant committees that are scrutinised by members?	Yes – Internal Audit and Counter Fraud report directly to Leader of the Council and Statutory Officers in order to maintain independence.
The Audit Committee	Should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.	Yes – G&A receives a at least six monthly reports to keep the Committee informed of proactive and reactive work.
	Should receive a report from the fraud leads on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured	Yes – statistical information included within the report that measures the fraud risks facing the authority and how resources are allocated, however this may not be as clear as it should be.
	Should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud	Yes – G&A report shared with Leader and Deputy Leader of the Council.
	Should support proactive counter fraud activity	Yes – Comments and feedback during G&A Committee has been to challenge and support the Counter Fraud Team on their activity.
	Should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.	Questions and comments received from G&A Committee on the Counter Fraud Report, which includes this review.
The Portfolio Lead	Receives a regular report that includes information, progress and barriers on: The assessment against the FFCL checklist Fraud risk assessment and horizon scanning.	Yes – Portfolio Lead provided of all Counter Fraud Reports that are going to CMT & G&A Committee.

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FFCL Check list requirements	Counter Fraud Lead Response
The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	<p>Fraud and Corruption risk at a strategic level has been assessed and is reviewed regularly by CMT via the risk management process.</p> <p>Directorate/ Divisional Fraud, Bribery & Corruption risk assessments is work in progress due to the size and complexity of the Council. Prompts to complete risk assessments have/ are being embedded into the grant acceptance and key decision processes..</p> <p>Counter Fraud Action plan is in place and is reported to CMT and G&A.</p>
The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	<p>The strategic fraud risk has been updated with the harm that fraud does to the community.</p> <p>Horizon scanning occurs as BAU, with national information obtained from NAFN, CIFAS, Action Fraud, CIPFA and National Cyber Security Centre.</p> <p>Local liaisons also occur via the Kent Fraud Panel and the Southern County Council fraud hub to assess trends at a local level.</p> <p>This activity is captured in the Counter Fraud Action Plan.</p>
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 and this checklist.	<p>As part of the G&A report this will include the outcome of the review against the checklist.</p>
The relevant portfolio holder has been briefed on the fraud risks and mitigation	<p>Fraud Progress report and action plan form part of the report which is shared with the portfolio holder in order to brief them on the fraud risks and mitigation.</p>
The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources	<p>Terms of Reference for the Governance and Audit Committee covers the requirement for them to ensure that the level of activity is appropriate in terms of fraud risk and resources.</p>

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FFCL Check list requirements	Counter Fraud Lead Response
<p>There is a counter fraud and corruption strategy applying to all aspects of the local authority’s business which has been communicated throughout the local authority and acknowledged by those charged with governance.</p>	<p>Revised Anti-Fraud and Corruption strategy is presented to CMT and G&A for review, last reviewed in Jan 2024, with a recommendation that reviewed every two years.</p>
<p>The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.</p>	<p>KCC Values and Kent Code are designed to ensure staff act in the best interests of KCC ahead of personal interests.</p>
<p>The risks of fraud and corruption are specifically considered in the local authority’s overall risk management process.</p>	<p>Fraud and Corruption risks are discussed with Corporate Directors for inclusion on their directorate risk register.</p>
<p>Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.</p>	<p>Partly – Within the report to CMT there will be a need to strengthen this approach within the strategy that requires new policies, strategies and initiatives to consult with Counter Fraud</p>
<p>Successful cases of proven fraud/corruption are routinely publicised to raise awareness.</p>	<p>Yes – When prosecutions occur press releases are prepared and issued via the Press Office.</p>
<p>The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.</p>	<p>Within the financial regulations there is a requirement for all staff to report financial irregularities to Internal Audit, the Counter Fraud Team monitor these and report up to G&A. This has identified key risk areas for KCC which then feeds into the Counter Fraud Action Plan.</p> <p>Wider communication strategy on the financial regulations is needed and will engage with Finance on supporting their work on communicating financial regulations.</p>

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FFCL Check list requirements	Counter Fraud Lead Response
<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> – codes of conduct including behaviour for counter fraud, anti-bribery and corruption – register of interests – register of gifts and hospitality. 	<p>Referral rates by fraud type and directorate are captured to provide an indication of where codes of conduct, register of interests and gifts and hospitality have been breached.</p> <p>However, there is no monitoring on when staff have not completed an annual declaration of interests.</p>
<p>The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.</p>	<p>Checks on identification, references and qualifications is conducted as part of the recruitment process to identify any false applications by recruitment managers and HR Services.</p> <p>In addition, for KR16 posts and above enhanced vetting process is conducted by the Counter Fraud Team given the significant budget responsibility of these posts.</p>
<p>Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.</p>	<p>This is included in the Code of Conduct for staff, annual reminders are issued by staff officers of the need to record any offers or acceptance of gifts and hospitality. Additionally, reminders are issued to members by the Monitoring Officer.</p>
<p>There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.</p>	<p>Fraud awareness is available through e-learning and face to face training, risk-based approach in place to raise requests for training that are led by Counter Fraud experts.</p> <p>Furthermore, Counter Fraud awareness is being delivered to management and officers across directorates.</p>
<p>There is an independent and up-to-date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.</p>	<p>Whistleblowing policy is reviewed annually, hotline exists which is managed by Internal Audit and Counter Fraud. Whistleblowing arrangements received a substantial audit opinion in 2024/25.</p>

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FFCL Check list requirements	Counter Fraud Lead Response
Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	As part of the contract terms and conditions contractors and third parties bound by KCC policies.
Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	A review of resources was completed in 2024/25 that has led to a business case being created to request additional resources.
There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The Fraud Plan along with updates is provided to G&A as part of the quarterly reporting.
Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	In place and reported via the Counter Fraud Report.
Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	In place via the Financial Regulations, However there has been some relevant challenge on access by business units to ensure they are compliant with Data Protection Requirements.
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	At present, the information is only captured in the Counter Fraud Report and when prosecutions are successful. Engagement with Communications team will occur to highlight the cases when Internal Fraud Week occurs in November 2020.
All allegations of fraud and corruption are risk assessed.	The National Intelligence Model is used to assess referrals, this includes a risk assessment which takes into account the length of time the fraud has occur, the potential, actual, prevented and recoverable loss, so that resources are used effectively

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FFCL Check list requirements	FFCL Check list requirements
<p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> – prevention – detection – investigation – sanctions – redress. 	<p>Fraud Action Plan (Response plan)</p> <p>Includes activity and resources to progress each area.</p>
Asset recovery and civil recovery are considered in all cases.	As part of the investigation plan, asset recovery and civil recovery is a factor investigators have to address during all stages of the investigation.
There is a zero-tolerance approach to fraud and corruption that is defined and monitored and which is always reported to committee.	The Anti-Fraud and Corruption Strategy has a zero tolerance to fraud and requires incidents of financial irregularity to be reported to the HoIA which the CFT monitors, referral rates and outcomes are monitored and reported to G&A a risk assessment is conducted on the cases to determine if suitable for investigation.
There is a programme of proactive counter fraud work which covers risks identified in assessment.	Fraud Action plan includes fraud awareness in key fraud risk areas this is reviewed annually as well as having the ability to be agile to react to emerging risk areas.
The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	Collaborative working with District authorities occurs through both the Kent Intelligence Network. In addition Counter Fraud Team is a member of the Kent Fraud Panel which works with Kent Police, Trading Standards and Community Safety.
The local authority shares data across its own departments and between other enforcement agencies.	<p>Use of the National Intelligence Model, allows data to be shared with other enforcement agencies on a case by case basis.</p> <p>KCC subscribe to the National Fraud Initiative which collects data from across a number of departments and external agencies to detect fraud occurring.</p> <p>KCC are also a member of the Kent Intelligence Network which is promoting further data sharing activity to support the detection of fraud.</p>

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Prevention measures and projects are undertaken using data analytics where possible.	Internal Audit and Counter Fraud have a data analytics strategy, this is evolving to take into account new software and data quality. Internal Audit have a planning step to consider data analytics in all audits. Draft Engagement Plans are reviewed by Counter Fraud for any fraud risks associated to the area being audited which may lead to data analytics being utilised.
The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	Access to Knowledge hub is in place for all CFT members to access.
The counter fraud team has access to the FFCL regional network.	CFT has access to the FFCL regional network.
There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	All staff are ACFS qualified and progressing a case to join the Government Counter Fraud Profession.
The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	Through work with services and the Combined Audit Knowledge & Experience there is good access to knowledge on how all areas across the local authority operate. Relationship management is in place to help identify any changes in processes/practices.
The counter fraud team has access (through partnership/ other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> – surveillance – computer forensics – asset recovery – financial investigations. 	Expertise is in place within CFT as well as access to further specialist support from Trading Standards (Surveillance, Asset Recovery and financial investigations) & ICT security (Computer forensics)
Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud-proof systems.	As part of the investigation process the investigation report provides management with areas of weaknesses in the control environment with recommendations if required being made to capture management responses.

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