COUNTER FRAUD ANNUAL REPORT 2025-26

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 (CFT) 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 Annual report including quarter 4 progress for 2025/26, reported irregularities from 01 January 2026 – 31 March 2026 and completion of the Counter Fraud Action Plan for 2025/26 (Appendix B);
- To review, comment and approve the Counter Fraud Action Plan for 2026/27 (Appendix C);
- Note the outcome of KCC's compliance to the Fighting Fraud and Corruption locally Checklist (Appendix D).

Key Messages

- Kent Intelligence Network (KIN) outcome for 2025/26 has identified **£5,013,835** of savings, with KCC benefiting **£1,782,672** from this activity;
- Delivery of proactive work has increased this financial year with over 1000 staff receiving training on fraud, bribery and corruption risks;
- Delivery of the Counter Fraud Plan has been completed, with one activity (AI detection tool) deferred to 2026/27;
- Total value of financial irregularities reported amount to **£580,081** for 2025/26 (0.02% of revenue spend);
- The Action Place for 2026/27 builds on established activity to build a strong counter fraud and anti corruption culture, with learning from 2025/26 being embedded to continuously improve the Counter Fraud Team and KCC processes and practices

Proactive Work – January 2026 – March 2026

A fraud risk assessment was performed within the Local Mitigation Fund which identified additional areas that had not been previously considered e.g. segregation of duties in the administration of the scheme. The fraud risk assessment has been used to update the application process. This was completed alongside Internal Audits consultancy work on the scheme as covered within the Internal Audit plan.

Key Fraud Risks within the Older Person Residential & Nursing services have been shared with management to embed into their risk management framework. This focused on procurement and contract management risks associated to this high value service.

A fraud culture survey and workshop has been completed with Adult Social Care, Children and Young People and Public Health Commissioners to strengthen the counter fraud culture in this key area. Areas of improvements focused in on potential fraud weaknesses, reporting channels and personal conduct to support integrity.

Alerts continue to be shared, when received, from the National Anti-Fraud Network to ensure awareness of potential threat actors that may target KCC services.

The Group of States against Corruption (GRECO) evaluation has been completed with the draft report having gone through the European Councils plenary committee for adoption. The evaluation reviewed the UK's sub-national Anti-Corruption and Promoting Integrity measure within:

- Governance Structure
- Anti-Corruption/ Integrity policy and risk management
- Standards of conduct and ethics
- Conflicts of interest prevention
- Transparency, access to information and public participation
- Control mechanisms, oversight and accountability

The evaluation reviewed national legislation and frameworks alongside local authorities' policies and practices. The final report has been received and is subject to Ministry of Justice Ministerial review prior to publication. Work is underway to address recommendations relevant to KCC with key officer which the outcomes reported to the next Governance and Audit Committee.

Proactive Work – 2025/26

The Counter Fraud Team have delivered the following key proactive work through 2025/26 to raise awareness and strengthen the counter fraud culture within KCC:

- 21 fraud related training sessions delivered to 1371 individuals;
- Fraud and awareness updates to all Departmental Management Teams;
- Delivered training and assistance to Tunbridge Wells Parking team by holding a Blue Badge Enforcement Day;
- Creation of a Procurement Fraud Risk Assessment tool, to help officers evaluate a potential supply chain partners counter fraud provision as part of the Economic Crime and Corporate Transparency Act ;
- Creation of a Desk Top Fraud Risk Assessment tool, to provide control recommendations to services and projects;
- Imbedded within major project teams for the tendering of residential care, supported living, home care, financial service support for direct payments;
- Fraud, Bribery and Corruption Awareness Week ran in November to coincide with International Fraud Awareness Week.
- External evaluation of Anti-Corruption and Promoting Integrity measures
- External evaluation of the Counter Fraud Teams compliance with the Government and Counter Fraud Professional Standards

The above outturn is delivering on the strategy that prevention supports reduction in financial loss by:

- People being more aware of fraud and error risks;
- Early engagement with counter fraud professionals to design mitigating controls to better prevent and detect fraud and error;
- Collaborating and knowledge sharing locally, nationally and internationally to inform current and emerging risks, along with the development of best practice to continuously improve KCC services.

Irregularity Referrals – January 2026 to March 2026 Overview

A further 175 irregularity referrals were received from January 2026 to March 2026, bringing the total number of referral's received for 2025/26 to 649. This is an increase of 131 referrals **(25%)** against the number of referrals received in 2024/25. 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;
- Blue Badge misuse – Use of stolen and deceased badges, as well as reports of forged Kent issued badges;
- Theft – related to IT equipment (laptops) belonging to KCC, recovery rates are high following counter fraud engagement;

The types and volumes of irregularities reported are shown in **Appendix A**

Work continues with management to challenge and support their processes to ensure that there are proportionate checks in place to evidence that the delivery of goods and services have been delivered to support the payment of invoices.

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

There have been a further 10 referrals (excluding blue badges) reported to Internal Audit and Counter Fraud between January 2026 to March 2026, bringing the total number of referrals to 47.

Direct Payments

- There have been 3 irregularity referrals relating to Direct Payments received within this reporting period, identifying £19,504 in losses. Bring the total loss to £189,483 for 2025/26. All amounts are subject to financial recovery.

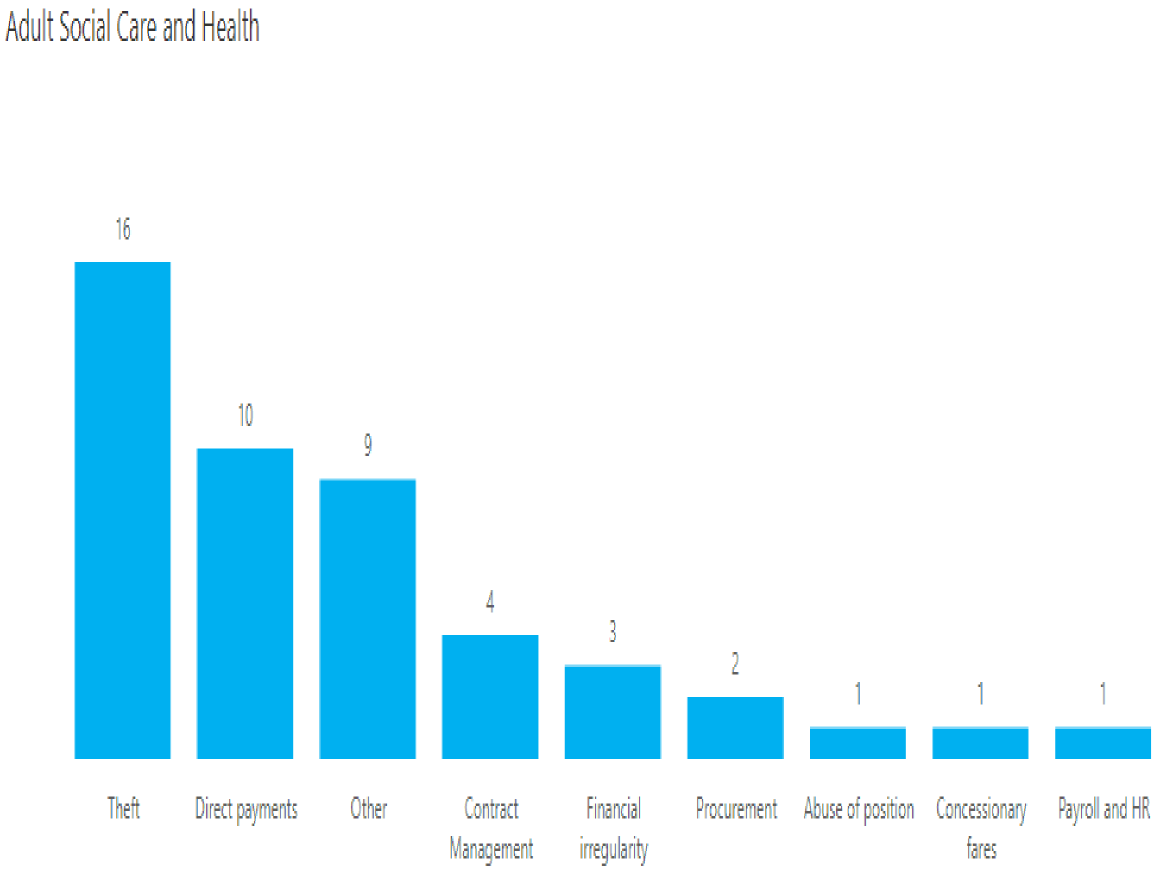
Contract Management

- Two referrals relating to Adult Social Care contract management were received during the reporting period, These concern suspected historic and ongoing overpayments to care providers and remain open and under review, with any recovery subject to the outcome of the investigation.

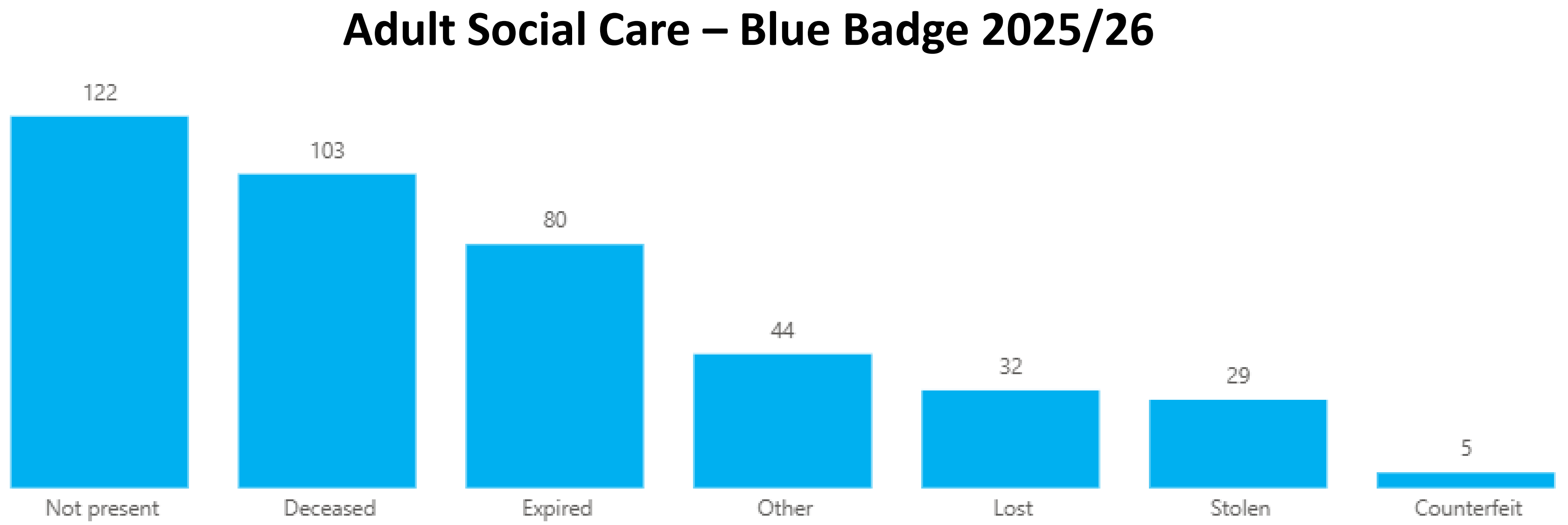
Theft

- Two theft referrals were received during the reporting period, relating to the non-return of KCC devices and identifying potential cost avoidance of £3,000. Both cases remain open and under review, with recovery action subject to further enquiries. A total of 9 laptops have been recovered by the Counter Fraud Team for 2025/26 within ASC&H.

Adults Social Care 2025/26



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



Blue badges:

There have been a further 113 referrals relating to blue badges received from January 2026 – March 2026, bringing the total number of referrals in 2025/26 to 415. This represents an increase by 39.3% compared to the total number of referrals received during the full 2024/2025 financial year (298). A breakdown of referrals by district is held at Appendix A, with Swale, Ashford and Maidstone reporting the most blue badge misuse cases across Kent.

The outcomes of these referrals are:

- 337 Penalty Charge Notices being issued across Kent resulting in an estimated £10,110 of additional parking revenue for the parking enforcements teams.
- 338 Warning Letters to reminder users of the appropriate use.
- 50 badges removed from being misused again, this includes lost, stolen, deceased and expired badges.

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

There were a further 42 referrals reported to Internal Audit and Counter Fraud between January to March 2026, bringing the total number of referrals in 2025/26 to 164 for CYPE.

Financial Irregularities:
During the January – March 2026, 29 Financial irregularity referrals were received within CYPE via the Transport Teams compliance work on Home to School Transport. This has identified £188,350 in actual loss. Although CYPE own the risk, GET are operating the controls to prevent and detect invoicing by taxi firms for journeys that have not been completed.

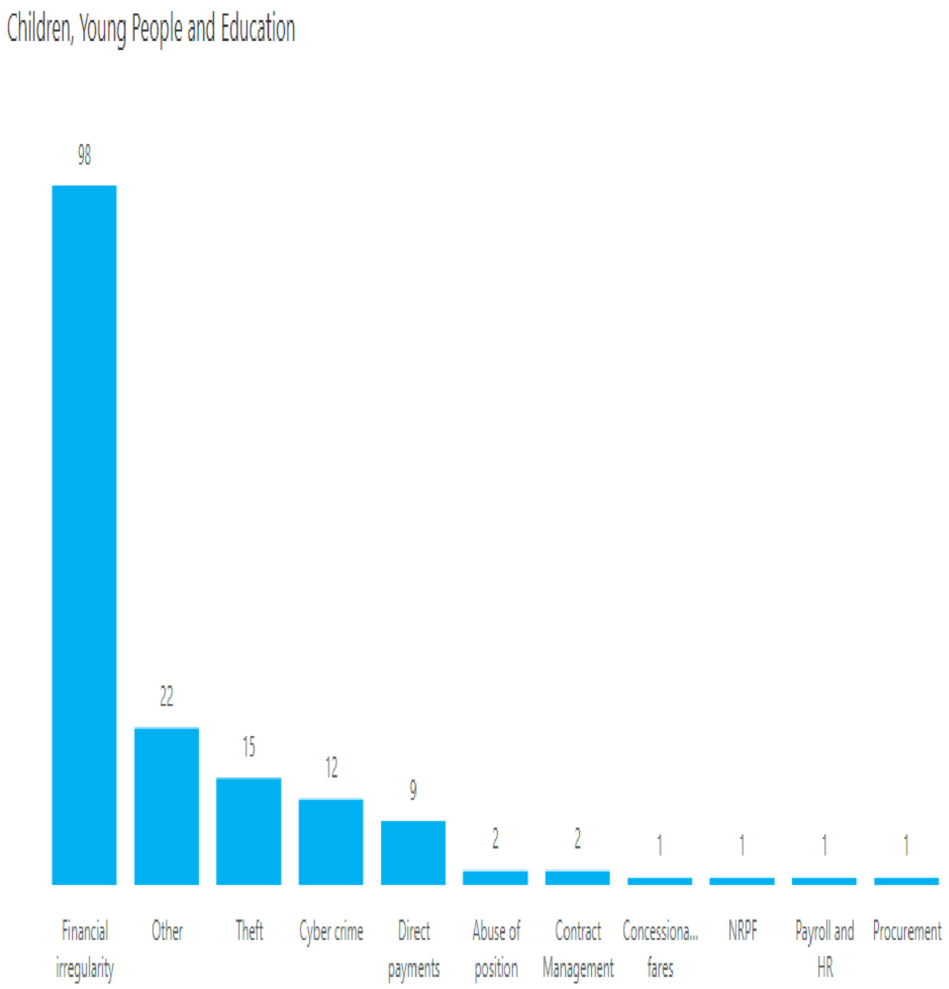
This brings the total financial irregularities reported for 2025/ 26 for Home to School Transport to 97 with a total loss of £312,766, all amounts are subject to full financial recovery.

Contract Management:

The Kent Card outgoing contractor experienced a systems failure which resulted in loss of access to funds for card holders and KCC for several months, equating to just over £700k. These funds have now been returned to KCC. Kent Cards are used to make payments such as Essential Living Allowance and Direct Payments. Management implemented alternative arrangements to support people during this period (at a cost). All funds have now been returned.

Alongside the key themes outlined above, additional referrals received within CYPE during the quarter covered a range of fraud risks, including cyber-enabled activity and asset-related concerns. While individually smaller in value, these cases contribute to the prevention of further loss, support early identification of emerging risks, and strengthen the overall control environment through targeted counter-fraud intervention.

CYPE - 2025/26



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Appendix D: Fighting Fraud and Corruption Locally Check List

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

There were a further 5 referrals reported to Internal Audit and Counter Fraud between January 2026 to March 2026, bringing the total number of referrals in 2025/26 to 10.

Grant Funding

One case related to a potential fraudulent Grant Application, resulting in £29,000 of funding prevented from being released.

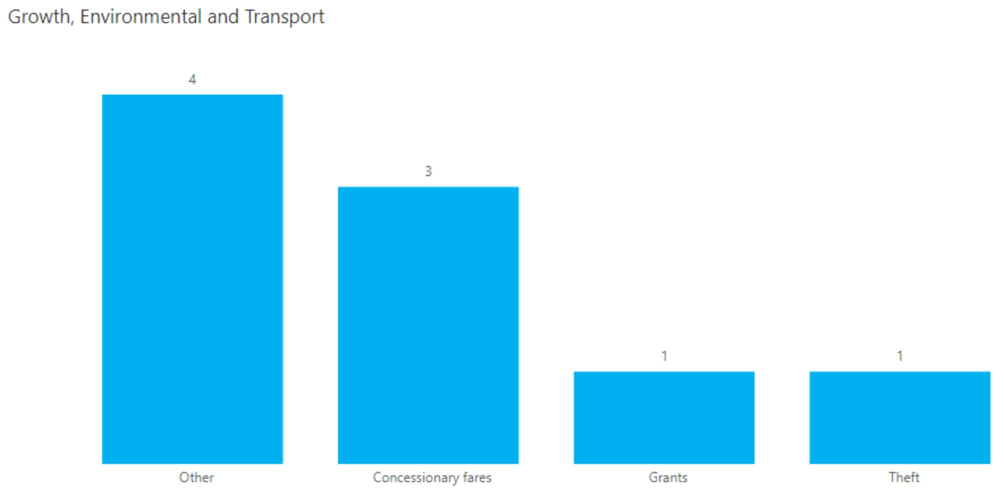
Concessionary Fairs

One case relating to misuse of a person's concessionary bus pass has 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.

Other

Two further referrals were received; one involving a suspicious card transaction subject to a chargeback and the other involving counterfeit bank notes identified through banking checks, resulting in deductions from takings. Kent Police are reporting an increase in counterfeit bank notes being used across Kent. Recommendations to management have been made to use UV pens to support detection.

GET – 2025/26

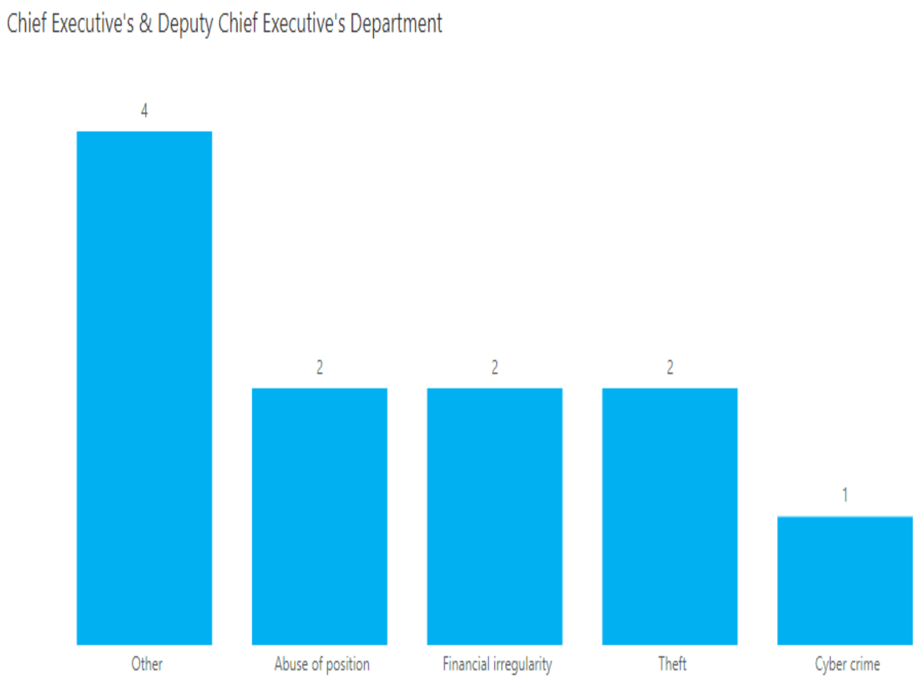


Irregularity Referrals by Directorate and Fraud Type – Chief Executive/ Deputy Chief Executive Departments

There were a further 3 referrals reported to Internal Audit and Counter Fraud between January 2026 to March 2026, bringing the total number of referrals in 2025/26 to 11.

The three new referrals relate to potential abuse of position, theft in relation to a KCC laptop not being returned and a financial regularity.

CED/CDED – 2025/26



Kent Intelligence Network (KIN) Overview – 01 April 2025 to 31 December 2025

The KIN continues to provide valuable financial support to KCC, Police, Fire Authority and District Councils and the outcomes for the period 1 April 2025 to 31 March 2026, set out below, show the results and financial returns achieved.

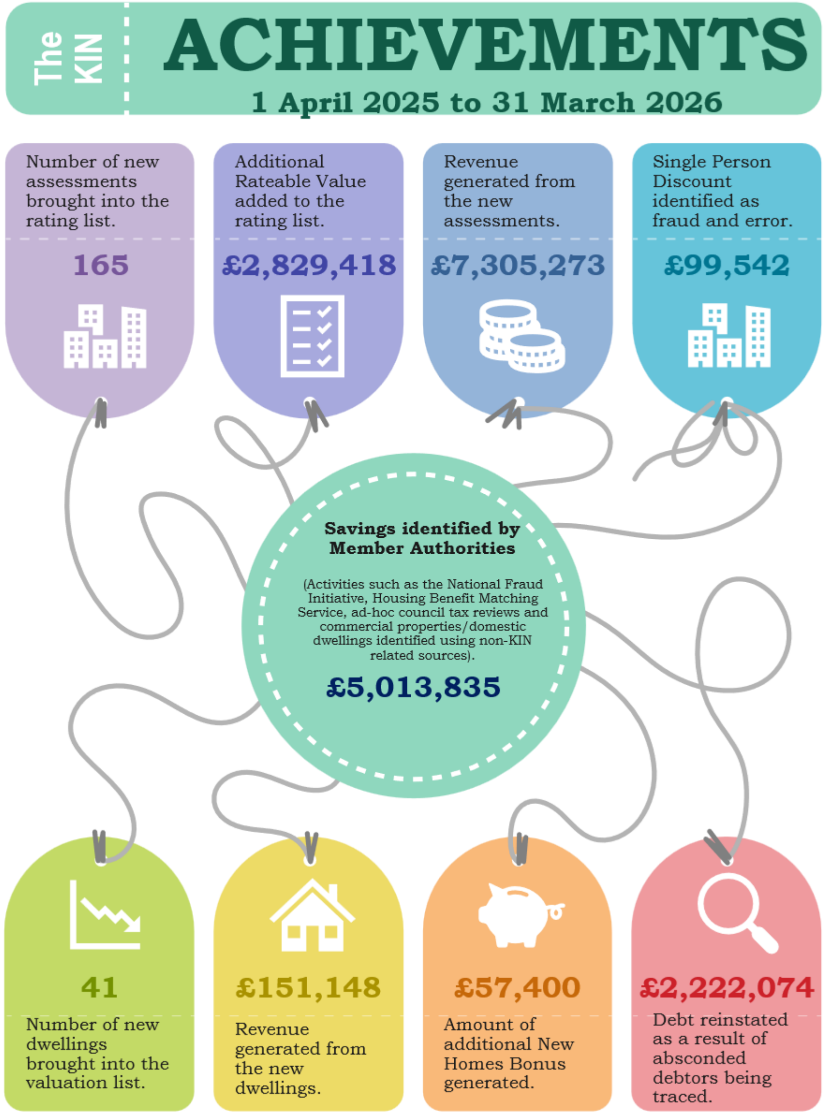
Business Rates Activity

138 commercial properties (165 including Medway), amassing a combined rateable value of £2,167,693 (£2,829,418 including Medway), 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 £5,477,504 (£7,305,273 including Medway), of which broadly 9% (£492,975) 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 £2,287,086 (£3,071,417 including Medway); and
- A 'future loss prevention' provision of 3 years of £3,190,418 (£4,233,856 including Medway). 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 March there were 137 cases with the VOA awaiting assessment/valuation, none of which are included in the figures stated above, and a further 162 cases which are currently under investigation by billing authorities.



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Kent Intelligence Network (KIN) Overview – 01 April 2024 to 31 December 2025

Council Tax

The KIN also helped to identify dwellings missing from the valuation list and an additional 38 dwellings (41 including Medway) have been identified in this financial year.

The additional council tax revenue generated from the identification of these missing properties is £136,997 (£151,148 including Medway), of which broadly 73% (£100,008) 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 £33,717 (£34,624 including Medway); and
- A ‘future loss prevention’ provision of 3 years of £103,280 (£116,254 including Medway). 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 March there were 258 cases with the Valuation Office Agency awaiting assessment/valuation, none of which are included in the figures stated above, and a further 326 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 38 dwellings identified (41 including Medway) will generate £53,200 (£57,400 including Medway), of which 20% (£10,640) comes to KCC.

Kent Intelligence Network (KIN) Overview – 01 April 2024 to 31 December 2025

In respect of the £2,165,134 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 £1,515,594, once collected, and this would amount to £1,106,383.

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 £99,542, of which broadly 73% (£72,666) comes to KCC, once collected.

In total, the financial benefit to KCC from the KIN related initiatives and successes detailed above amounts to £1,782,672.

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 £432,334 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 £24,164 towards a product that helps to trace absconded council tax debtors.

Solely in respect of KIN-related work, the financial investment of £456,498 made by KCC in 2025/26 has provided a return-on-investment of nearly 4 to1.

Counter Fraud Action Plan 2025/26

Updates to the 2025/26 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 has been delivered for 2025/26 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
Interim Head of Counter Fraud	1
Interim Deputy Counter Fraud Manager	2
Counter Fraud Specialists	1
Counter Fraud Technician	2
Intelligence Officer	0.8
Intelligence Assistant	1

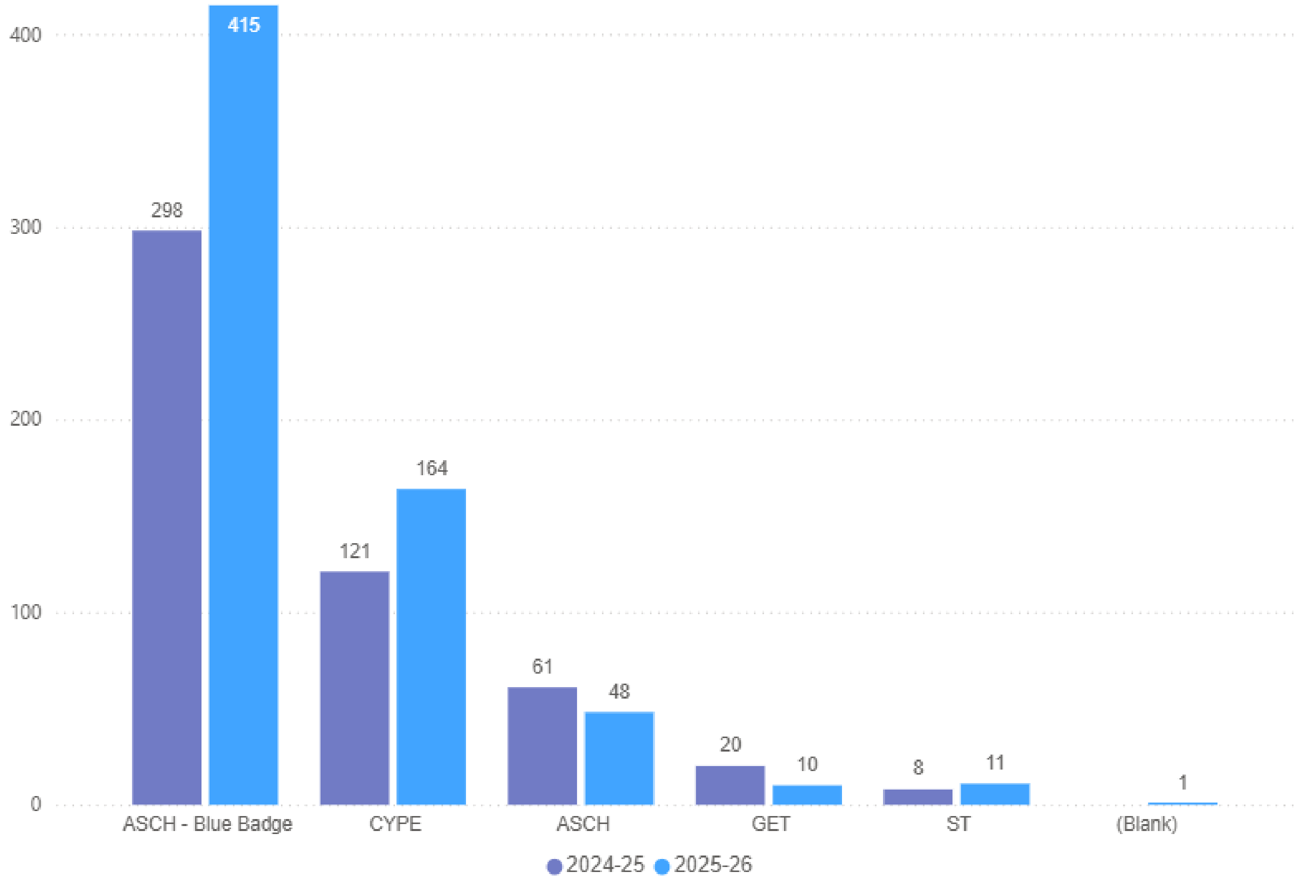
Two of the team have returned from maternity leave, with maternity cover ending, a thank you to the two members of the team who provided maternity cover for their hard work over the last 12 months.

Resources also includes 2.2 FTE staff providing services to Tonbridge and Malling Borough Council under a shared services provision. As well as resources to provide services to Global Commercial Services Group and Kent Fire and Rescue.

An application for resources in the 2026/27 Mid Term Financial Plan was agreed. A further Counter Fraud Technician post has been created within the structure for 2026/27.

Appendix A - Year on Year Comparison – by Directorate

Blue Badge cases still represent the largest number of referrals the Counter Fraud service receives with a 39.3% increase compared to this time last year. However, in relation to ASCH and GET with a decrease of 23 referrals in total for the both combined. CYPE has increased by 35.5% compared to last year, which is due to Home to School transport referrals being reported to Internal Audit and Counter Fraud. Overall, the Counter Fraud Team has received a total 649 referrals for 2025/26 compared to this time last year where the total for 2024/2025 was 508 which shows a percentage increase of 27.8% in total referrals.



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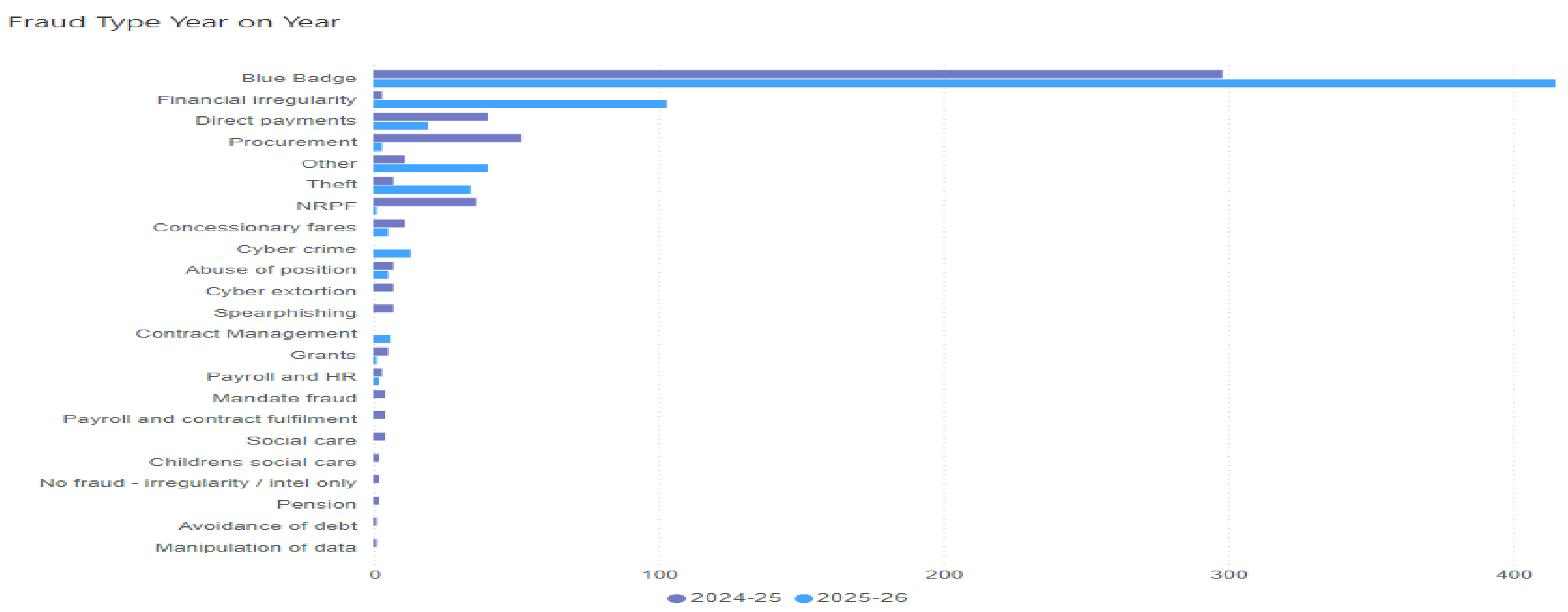
Appendix D: Fighting Fraud and Corruption Locally Check List

Appendix A - Year on Year Comparison – by Fraud Type

This slide demonstrates that Financial Irregularities being reported to the Counter Fraud Team have significantly increased compared to this time last year. Financial Irregularities, theft and 'other' related referrals received are the highest financial risk to KCC.

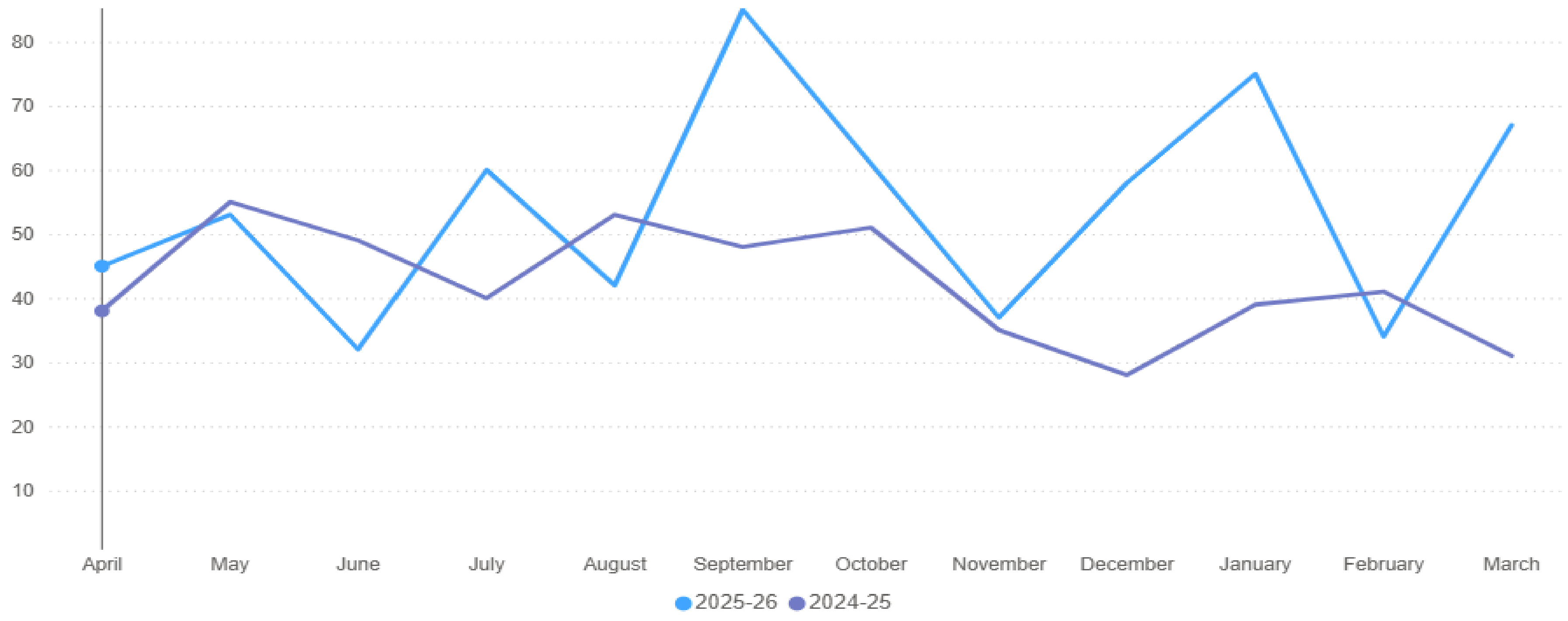
A new fraud type for Contract Management – Home to School Transport has been added for 2026/27 reporting, which is currently being reported as a financial irregularity.



Appendix A - Year on Year Comparison – by Month Received

Referrals from April 2025 to March 2026 are averaging over 52 per month, compared to 42 per month for 2024/25. This amounts to an increase in referrals received by 25% compared to last year. The increase in referrals received by Counter Fraud is indicative of greater awareness of financial irregularities within KCC and the efficacy of proactive fraud work.

The spikes in referrals in July, September, January and March relate to the loading of Home to School transport irregularities received from the transport team on a quarterly basis.



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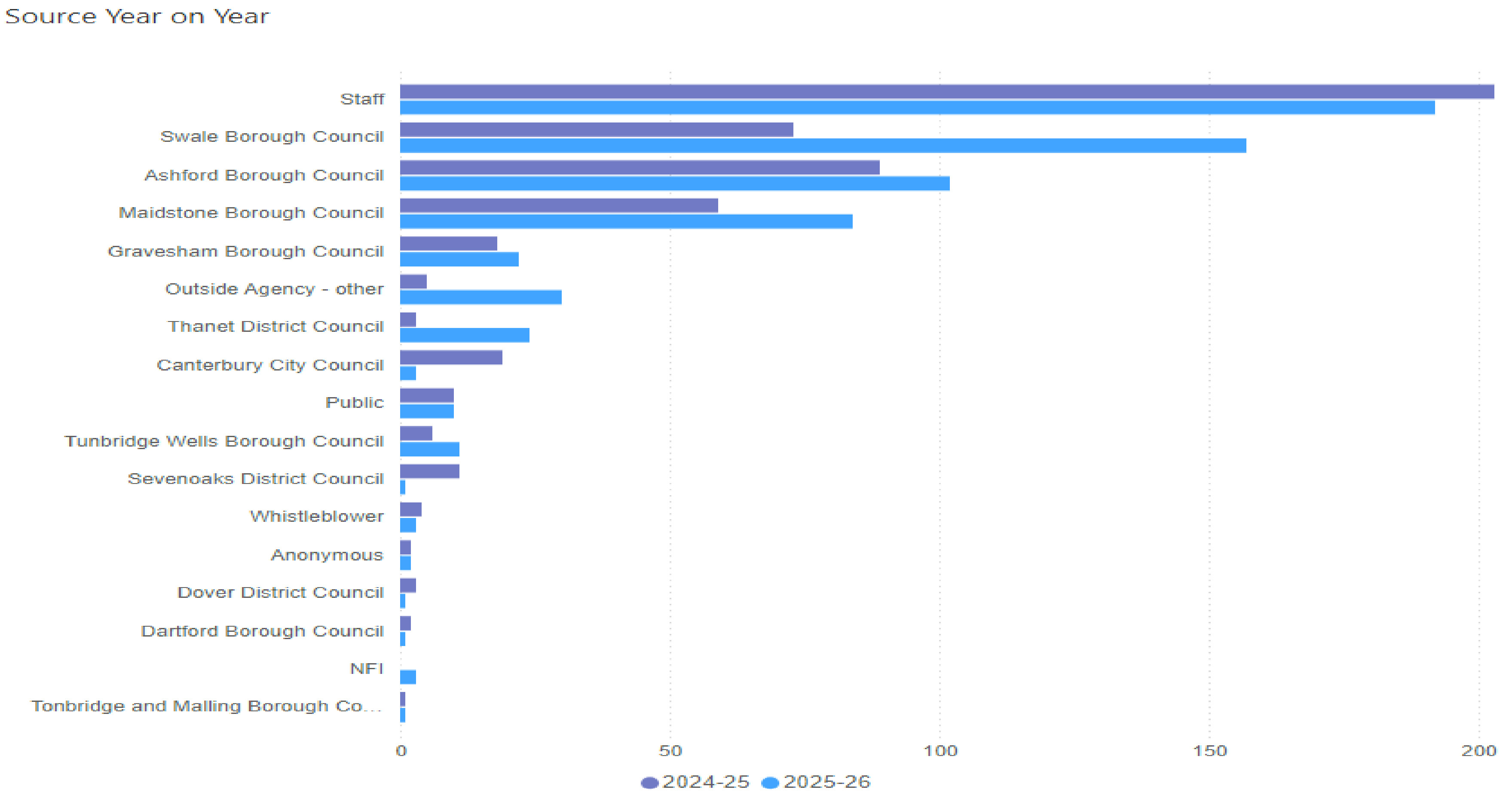
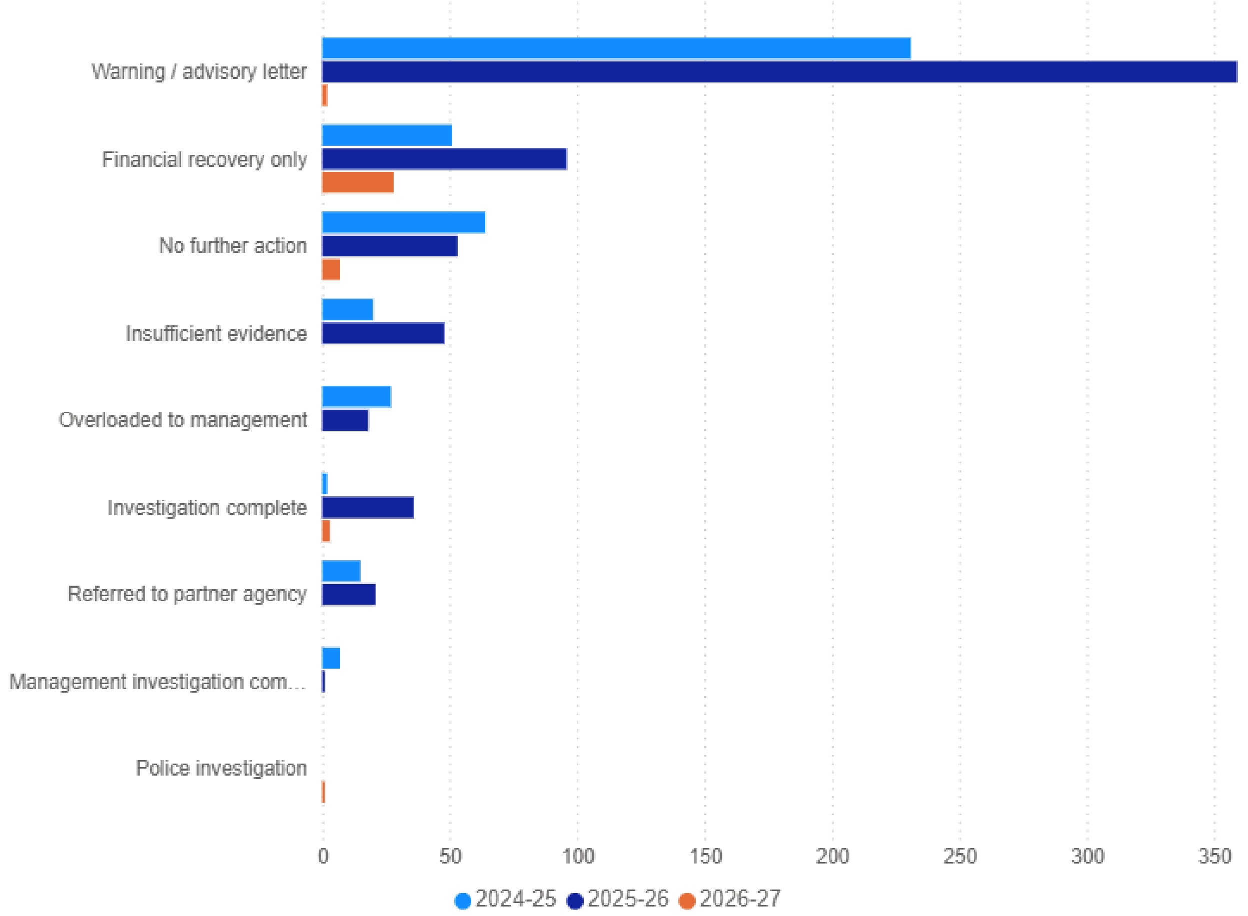
Appendix A - Year on Year Comparison – by Source of Referral

Relationship management/ awareness continues to work, as in most cases, the number of referrals received from KCC staff and Parking Enforcement Officers is showing continued awareness of reporting financial irregularities to Internal Audit and Counter Fraud.



Appendix A - Year on Year Comparison – by Outcome

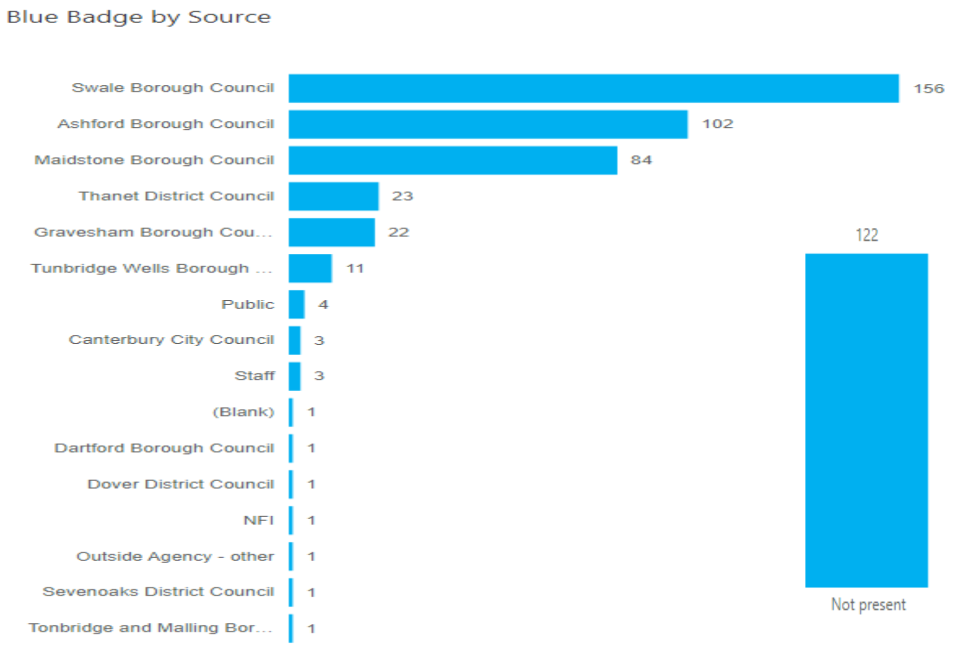
The increase in the number of referrals, in particular blue badge referrals, has resulted in some referrals not being progressed due to work on more complex cases taking priority.

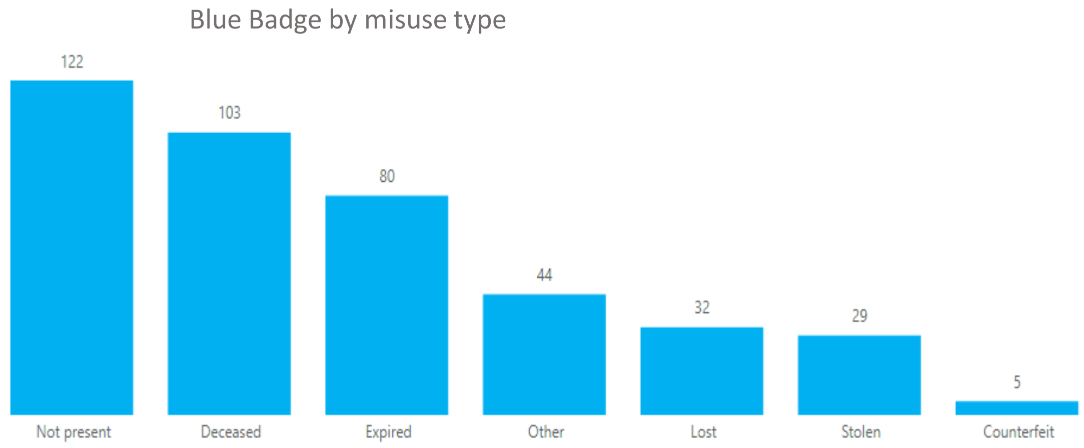


Appendix A - Blue Badge Referrals – by Type and Referring Parking Team

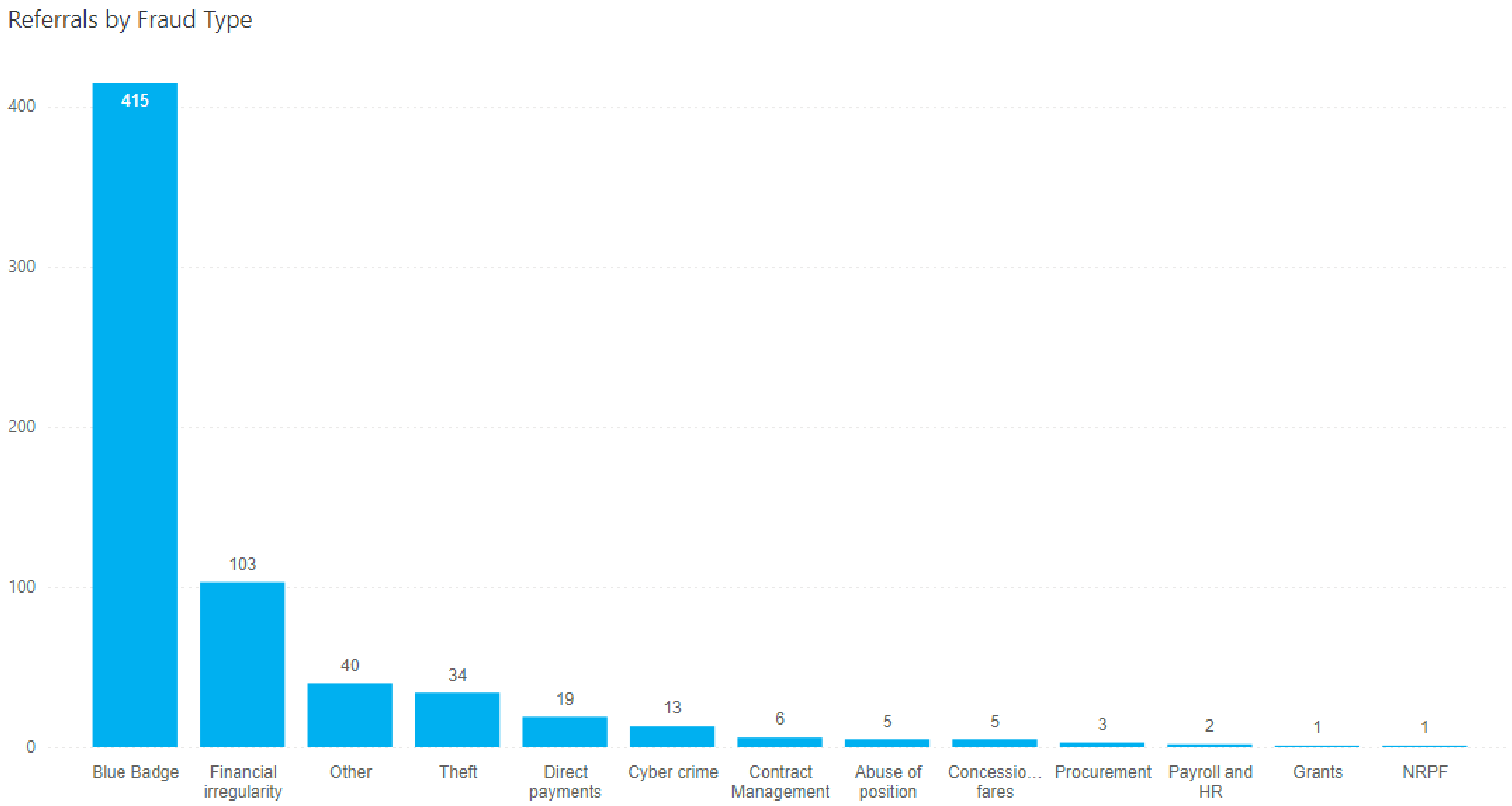
Swale Borough Council is detecting the highest number of blue badge misuse compared with other District/Borough Councils. We have seen marked increases in detection from: Maidstone Borough Council, Swale Borough Council and Thanet District Council.   Engagement has occurred with Kent Chief Executives with further engagement planned via the Kent Parking Group to determine better enforcement activity in this area.

Overall, the total number of referrals for blue badges misuse has increase by 39.3% in 2025/26 showing a greater willingness by District/ Borough parking teams to tackle this issue and disrupt those that misuse the scheme and parking concessions.

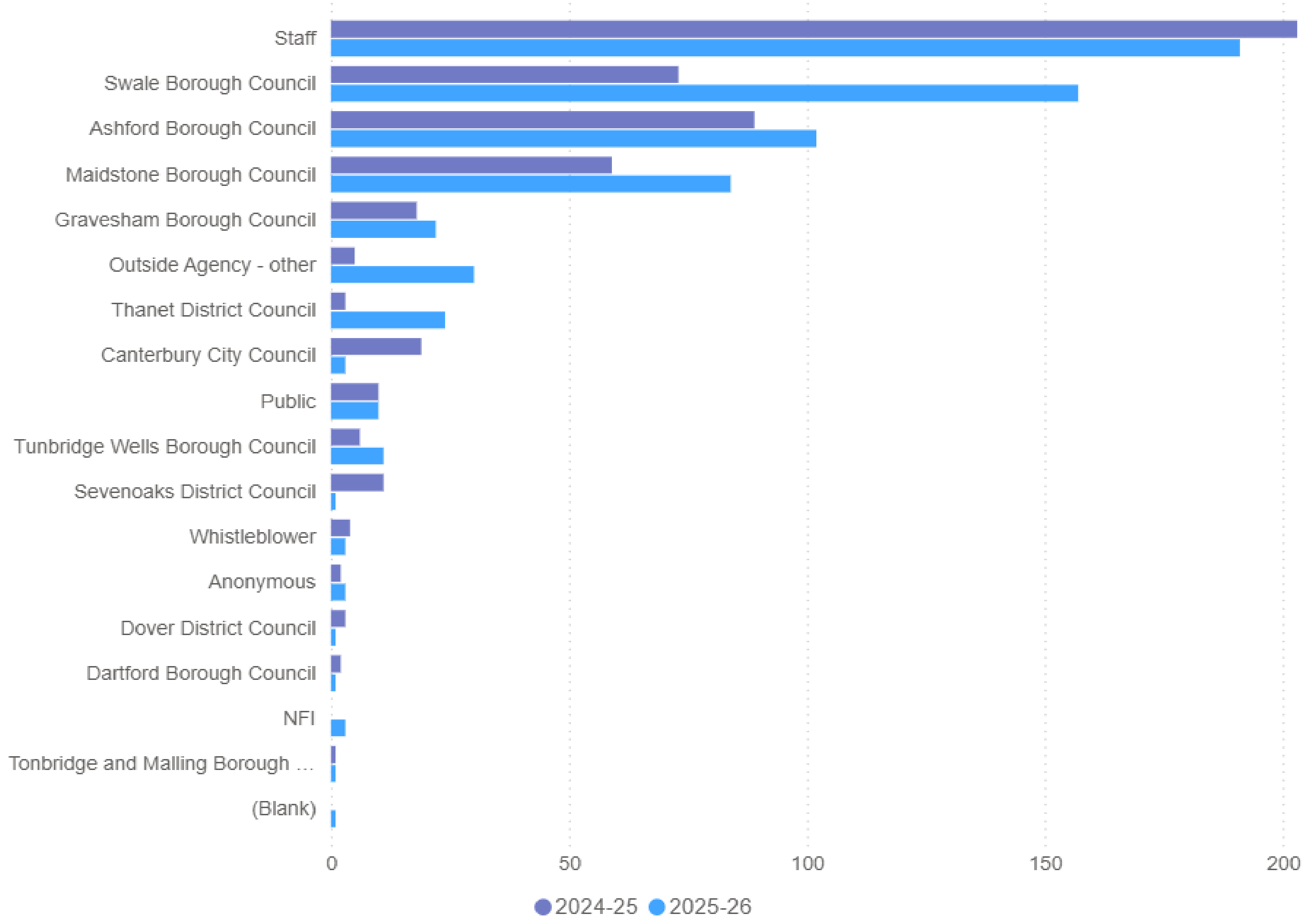




Appendix A - Fraud and Irregularity Referrals by Fraud Type April 2025 – March 2026



Appendix A - Fraud and Irregularity Referrals by Source April 2025 – March 2026



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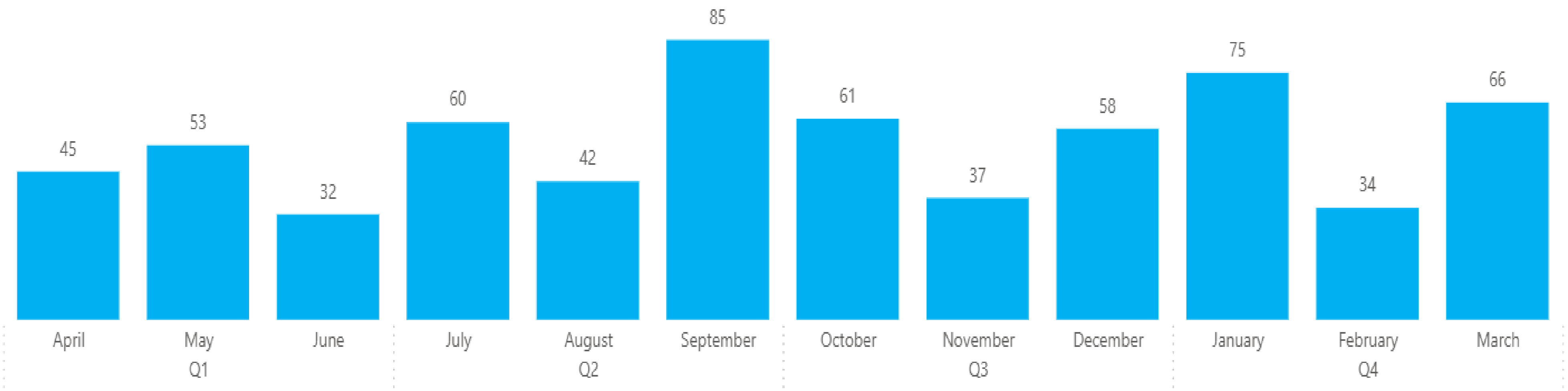

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Appendix B - Fraud Action Plan 2025/26

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.	March 2026 Governance and Audit Committee provided with activity for Quarter 3. November 2025 Governance and Audit Committee provided with activity for Quarter 1 & 2.
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.	Deferred to July to align with annual report.
	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.	On- going – part of the relationship management meetings with DMT's
	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.	Ongoing – see proactive work
	Whistleblowing Hotline and log	The Counter Fraud Team manage the Councils Central Whistleblowing Log and the Whistleblowing helpline.	On-going

Appendix B - Fraud Action Plan 2025/26

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 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 are review by Counter Fraud to inform fraud and error risks
	International Fraud Awareness Week Campaign	To deliver an internal campaign to officers during International Fraud Awareness week.	Completed
	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. A nominated person from each of the data sets will be identified and liaised with through the project to ensure matches are cleared.	Completed – Some non-compliance to policy (Declarations of interests) but no conflicts of interest identified.
	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 KIN update
	Artificial intelligence – Counterfeit/ Forgery	To explore the use of AI as a directional tool to identify counterfeit/ forged documents used to access services.	Deferred to 2026/27
	Anti – Corruption Audit	To support on the Group of States against Corruption (GRECO) audit on Anti-Corruption controls at KCC.	Completed - Awaiting Final Report.

Appendix B - Fraud Action Plan 2025/26

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	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; • 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.	Peer review completed November 2025. Premise to assess the Counter Fraud Teams processes against the Government Counter Fraud Professional (GCFP) Standards. Conclusion – The KCC CFT provides an excellent service to Kent. Assured that the KCC CFT is an effective and knowledgeable counter fraud function. All standards achieved the requirement of the GCFP Cat C Investigator and Fraud Manager Standards.
	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 – KIN meetings progressing, liaison with Kent Police established and on-going, Southern Investigators Groups attended.

Appendix C - Fraud Action Plan 2026/27

Pillar	Activity	Detail
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	At least two yearly 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.
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.
	Fraud Risk Assessments	The Counter Fraud Team to support management in assessing the risk of fraud and error, providing advice on controls to mitigate the risk. Including risks associated to the Economic Crime and Corporate Transparency Act (failure to prevent fraud). Deployment of the Cabinet Office AI Risk Assessment Tool to be deployed to key areas as fraud risk owners.
	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 and error risks identified through investigations.
	Local Government Reorganisation	Support in the preparation of de-aggregation of services ahead of vestment day. This will Include fraud risk assessing the de-aggregation process as well as informing delivery of counter fraud services post vestment.
	Whistleblowing Hotline and log	The Counter Fraud Team manage the Councils Central Whistleblowing Log and the Whistleblowing helpline.

Appendix C - Fraud Action Plan 2026/27

Pillar	Activity	Detail
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 and integrity culture.
	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.
	International Fraud Awareness Week Campaign	To deliver an internal campaign to officers during International Fraud Awareness week.
	National Fraud Initiative	The Counter Fraud Team will lead on the NFI submission that matches data within and between public and private sector bodies to prevent and detect fraud. A nominated person from each of the data sets will be identified and liaised with through the project to ensure matches are cleared.
	Kent Intelligence Network	The Counter Fraud Team will support the Kent Intelligence Network on activities that benefit KCC and the wider Kent Residents.
	Artificial intelligence – Counterfeit/ Forgery	To explore the use of AI as a directional tool to identify counterfeit/ forged documents used to access services.

Appendix C - Fraud Action Plan 2026/27

Pillar	Activity	Detail
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	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; • 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 • Staff meet the standards of the Government Counter Fraud Profession
	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.

Appendix D – Fighting Fraud & Corruption Locally Checklist

Senior Stakeholders	Checklist Requirement	Counter Fraud Lead Assessment
Chief Executive Officer	Ensure that your authority is measuring itself against the checklist for FFCL	Corporate Management Team (CMT) Report presented the outcome and actions required to be completed, which will be reported further to the Governance and Audit Committee (G&A).
	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 3 x Counter Fraud Technician) are Accredited Counter Fraud Specialists / PIP2, one Intelligence Assistant due to receive 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 – Deputy Leader of the Council has Internal Audit & Counter Fraud within their portfolio as per the Constitution.
	Is the head of internal audit or counter fraud assessing resources and capability?	Yes – a review of resources in 2025/26 identified the need to increase resources due to the increasing risk of fraud being committed against KCC. Additional Counter Fraud Technician post created for 2026/27.
	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.

Appendix D – Fighting Fraud & Corruption Locally Checklist

Senior Stakeholders	Checklist Requirement	Counter Fraud Lead Assessment
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. Induction training provided to G&A members after election.
	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 has independence and objectivity in it's role, can refer matters to Chair of G&A, Deputy Leader of the Council and Statutory Officers if required. Reports to Corporate Director of Finance as Section 151 Officer.
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 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. Progress report provides details of the resources and how they are allocated against reactive and preventative (proactive) work.
	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 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. Strategic Risk Register also provided to Portfolio Lead which included key risks, Anti Fraud and Corruption Strategy also provides key fraud and Corruption risks.

Appendix D – Fighting Fraud & Corruption Locally Checklist

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.	Fraud and Corruption risk at a strategic level has been assessed and is reviewed regularly by CMT via the risk management process. 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.. Counter Fraud Action plan is in place and is reported to CMT and G&A.
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.	The strategic fraud risk has been includes the harm that fraud does to the community. Horizon scanning occurs routinely, with national information obtained from NAFN, CIFAS, Action Fraud, CIPFA and National Cyber Security Centre. Local liaisons also occur via the Kent Fraud Panel and the Southern County Council fraud hub to assess trends at a local level. This activity is captured in the Counter Fraud Action Plan.
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 and this checklist.	As part of the G&A report this will include the outcome of the review against the checklist.
The relevant portfolio holder has been briefed on the fraud risks and mitigation	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.
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	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.

Appendix D – Fighting Fraud & Corruption Locally Checklist

FFCL Check list requirements	Counter Fraud Lead Response
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.	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, next review occurring in July 2026.
The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	KCC Values and Kent Code are designed to ensure staff act in the best interests of KCC ahead of personal interests. KCC invited and accepted to undertake an independent external assessment of anti-corruption and promoting integrity measures at sub-national level. This was done by the European Council's Group Against Corruption with KCC and the Greater London Authority and will inform any improvements in current arrangements.
The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	Fraud and Corruption risks are discussed with Corporate Directors for inclusion on their directorate risk register.
Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	Partly – Although a requirement of the Ant-Fraud and Corruption Strategy requires management to engaged with Counter Fraud services. Prompts in the Key Decision and Procurement processes.
Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Yes – When prosecutions occur press releases are prepared and issued via the Press Office.
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.	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. Wider communication strategy on the financial regulations is needed and will engage with Finance on supporting their work on communicating financial regulations.

Appendix D – Fighting Fraud & Corruption Locally Checklist

FFCL Check list requirements	Counter Fraud Lead Response
The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: – codes of conduct including behaviour for counter fraud, anti-bribery and corruption – register of interests – register of gifts and hospitality.	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. However, there is no monitoring on when staff have not completed an annual declaration of interests and the levels of gifts and hospitality being received. This is being raised with HR Colleagues to include information on declarations of interest and gifts and hospitality to Departmental Management Teams and Divisional Management Teams.
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.	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. 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.
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.	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. Enhancements to the induction check list for managers for new staff to include specific reference to gifts and hospitality and declarations of interests prompts.
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	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. Furthermore, Counter Fraud awareness and culture assessments are being delivered to management and officers across directorates.

Appendix D – Fighting Fraud & Corruption Locally Checklist

FFCL Check list requirements	Counter Fre
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
The fraud and corruption response plan covers all areas of counter fraud work: **– prevention & detection** **– investigation & sanctions** **– redress.**	Fraud Action Plan (Response plan) Includes activity and resources to progress each area.
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 Head of Internal Audit which the Counter Fraud Team 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.	Use of the National Intelligence Model, allows data to be shared with other enforcement agencies on a case by case basis. KCC subscribe to the National Fraud Initiative which collects data from across a number of departments and external agencies to detect fraud occurring. KCC are also a member of the Kent Intelligence Network which is promoting further data sharing activity to support the detection of fraud.

Section Navigation

Introduction and Key Messages

Proactive Counter Fraud Work

Irregularity Referrals

Irregularities by Directorate

Kent Intelligence Network

Appendix A: Current Year Referrals in Detail

Appendix B: Counter Fraud Action Plan 2025/26 in detail

Appendix C: Counter Fraud Action Plan 2026/27

Appendix D: Fighting Fraud and Corruption Locally Check List

Appendix F – Fighting Fraud & Corruption Locally Checklist

FFCL Check list requirements	FFCL Check list requirements
Prevention measures and projects are undertaken using data analytics where possible.	Internal Audit and Counter Fraud Team have a data analytics strategy. Internal Audit have a planning step to consider data analytics in all audits. Data Analyst post is in place with the Internal Audit and Counter Fraud Team to support the use of data analytics in audits and investigations.
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 Counter Fraud Team members to have access.
The counter fraud team has access to the FFCL regional network.	Counter Fraud Team 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 / PIP2 qualified and where relevant have been accepted into 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 / counter fraud 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: **– surveillance** **– computer forensics** **– asset recovery** **– financial investigations.**	Expertise is in place within Counter Fraud Team 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, if required, a management letter will be issued to provide management with areas of weaknesses in the control environment. Management are required to provided a management action and this is reported to G&A for their oversight.

Conclusion

KCC's counter fraud programme is strengthening prevention, detection and response — **with greater awareness, clearer risks and tangible financial benefit.**

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Awareness is translating into action

referrals received in 2025/26, showing stronger reporting of fraud and irregularity risks across KCC.

£1.78m

Financial value is being protected

estimated KCC benefit from Kent Intelligence Network activity, alongside losses identified and prevented.

2026/27

The 2026/27 focus is clear

action plan will continue to embed risk assessment, training and control improvements in high-risk services.

The Committee is invited to note the progress made and support continued proactive counter fraud activity in 2026/27.