

**Meeting:** Audit Committee

**Date:** 17 May 2026

**Wards affected:** All Wards

**Report Title:** Counter Fraud & Error 2025-26

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## 1. Executive Summary

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- 1.1. This report provides the Audit Committee with assurance on how Torbay Council manages fraud and error risk during the 2025/26 financial year. It is structured around the five lines of fraud defence – Governance, Prevention, Detection, Redress and Review – in line with recognised CIPFA and Public Sector fraud Authority guidance.
- 1.2. Despite operating in a challenging environment, including organisational change and capacity constraints, the council has continued to strengthen governance arrangements, improve preventative controls, target detection activity effectively, and take proportionate action where fraud or error has been identified. Importantly learning arising from investigations and horizon scanning has been used to improve systems and reduce future risk.
- 1.3. Members are invited to note the contents of the report and the assurance it provides that fraud and error risks are being managed proportionately, transparently and in line with good public sector practice.

## 2. Purpose of report

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- 2.1. To provide Audit committee with assurance over the effectiveness of Torbay Council's arrangements to prevent, detect and deter fraud and error. Activity during the financial year 1 April 2025 to 31 March 2026, including progress against the 2025-26 annual Counter Fraud plan.
- 2.2. The report is intended to support members in obtaining assurance the Council has robust processes in place to prevent, detect and deter fraud and error.

## 3. Background and Counter-Fraud Framework

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- 3.1. Fraud and error present significant and evolving risks to the public sector. It is persistent, diverse, and quickly changing and complex.

- 3.2. National Estimates suggest, fraud and error costs the public sector between £33bn and £58bn (excluding covid-19 schemes) annually, with Local Government losses estimated at £2.2bn
- 3.3. The reporting period has seen the Government enacting the Fraud, Error and Recovery Act 2025 which is aimed at strengthening expectations around the active management of fraud and error risks, rather than introducing an entirely new counter-fraud function. For Local Authorities the Act reinforces the need for clear corporate accountability for counter fraud activity, effective use of data and intelligence, and demonstrable action to prevent, detect, and recover losses of public funds. Placing greater emphasis on Councils being able to evidence that proportionate and risk-based arrangements are in place, aligned to recognised good practice and statutory guidance. Councils will need to ensure that counter-fraud activity is integrated across services, rather than reliant on isolated investigations, and that learning from exercises such as the National Fraud Initiative is used to strengthen controls and reduce future risk. While detailed secondary legislation and guidance will determine specific duties, the Act signals a shift toward higher standards of consistency, accountability, and evidence of effectiveness across the local government sector.
- 3.4. The treasury launched a new [covid-19 fraud reporting service and website](#) to enable members of the public to report suspected covid-19 frauds. This includes all covid loans, grants, social security and tax benefits. Arrangements are in place to promote awareness of the service to residents. Should Torbay receive any reports of this nature, they will be passed to the national reporting service.
- 3.5. Torbay continues to receive highly publicised funding allocations for local projects such as but not limited to £20 million neighbourhood boost, £361,000 from the department of transport and up to £270,000 from the improve playground schemes fund. Public announcements and promotional campaigns heightens exposure to misrepresentation, inflated claims and misuse of funds, and reinforces the need for proportionate counter-fraud controls.
- 3.6. Torbay's Counter Fraud, Error, Bribery and Corruption Policy sets expectations for Members, officers and partners. The Counter Fraud Manager also acts as the Council's Money Laundering Reporting Officer (MLRO).
- 3.7. Fraud is recognised by Torbay Council as Corporate Risk CP59.
- 3.8. The corporate counter fraud and error team deliver a service across the Council which aims to prevent, detect and deter fraud, error and criminality related to fraud. The team investigate allegations of fraud, plan and take part in counter fraud campaigns (e.g. the national Fraud Initiative), test systems, undertake fraud awareness activities with staff and the public, maintain and update the counter fraud framework and related policies.
- 3.9. Through this activity, financial losses are prevented, additional revenue is identified for recovery, income is secured through the supply of services and redress sought in cases of civil or criminal offending. As a hidden crime, fraud presents a unique challenge – we must continue to fundamentally shift our perspective and recognise that finding fraud itself is a success. We can only fight fraud if we actively search, locate and address it.

3.10. This report is structured around the five lines of fraud defence, providing assurance across the full counter-fraud lifecycle.

## 4. Governance – Govern & Acknowledge (first Line of Defence)

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4.1. The Audit Committee provides oversight of the Council's counter-fraud arrangements. Governance responsibilities are clearly defined:

- **Senior Responsible Officer:** Director of Finance (Malcolm Coe)
- **Operational Lead:** Counter Fraud and Error Manager

Designing Fraud Policies and plans, Oversight of the National Fraud Initiative (NFI), proactive reviews, investigations and reporting

4.2. Torbay Council receives formal counter-fraud updates through reports presented to the Audit Committee, providing members with oversight of fraud risks, activity, and outcomes; these updates are provided on a regular basis to support assurance and governance responsibilities.

During the reporting period:

4.3. A counter fraud and error update report was presented to Audit Committee in October 2025

4.4. The Counter Fraud, Error, bribery and Corruption Policy and Strategy received review, approval, published. And adopted.

4.5. The **Codes of Conduct for Members and employees** were strengthened to reinforce expectations regarding the prevention, detection and reporting of fraud and money laundering

4.6. Managers were reaffirmed as responsible for maintaining fraud risk assessments, addressing control weaknesses, and ensuring service application forms include up-to-date fraud declarations

4.7. Job Description templates have been reviewed to ensure they remain current and appropriate. Going forward, any new or revised Job Descriptions issued will include a specific paragraph setting out employees' responsibilities and expectations in relation to preventing, identifying and reporting fraud, in line with the organisation's counter-fraud policies and procedures.

4.8. A review of relevant HR policies has been completed to confirm that references to fraud are appropriately embedded where relevant

4.9. A review of internal claim forms, including mileage claims, has been completed to ensure that relevant antifraud declarations are in place.

## 5. Prevention – Prevent & Protect (Second Line of Defence)

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- 5.1. Employing a dedicated counter-fraud team is invaluable, representing a clear invest-to-save approach, as the presence of specialist expertise deters fraud, strengthens controls, and provides assurance over the protection of public funds, even where financial benefits cannot always be precisely quantified.
- 5.2. Preventative activity focused on strengthening controls, improving awareness, and reducing opportunities for fraud before financial loss occurs remains a key priority. While a direct monetary value cannot be attributed to this activity, it provides assurance through reduced risk exposure, improved control effectiveness, and enhanced organisational resilience.
- 5.3. The Counter Fraud and Error Manager provides case by case prevention and intelligence support to teams across council services and external partner agencies, including Devon & Cornwall Police and Devon and Somerset Fire and rescue service where appropriate.
- 5.4. Capturing a fraud risk register is critical to provide the council with financial protection, manage its reputation, ensure legal compliance and provide operational efficiencies. Linking in with the already established risk management team, work to capture an organisation wide fraud risk assessment is nearing completion, with all directorates now complete except the Place Directorate.
- 5.5. Progress with departmental fraud risk assessments has previously been reported. Internal Audit conducted a Counter Fraud Risk Assessment Audit (attached as appendix 1).
- 5.6. As part of the induction programme, new starters are offered optional face-to-face fraud awareness training, including awareness of the whistleblowing policy and procedure. During the period, 11 sessions were delivered, with 91 of 153 invited colleagues attending, representing an approximate 60% take-up rate. Induction remains a key opportunity to strengthen fraud awareness, as new starters are well placed to identify potential internal fraud risks before established working relationships and practices develop. A review of the induction offer is underway to strengthen future engagement and delivery.
- 5.7. The mandatory fraud awareness training course, for all staff, has received review. The reviewed course release coincided with the introduction of the Councils new online learning platform.
- 5.8. Members should note that accurate compliance reporting has been constrained during the transition between systems. The previous learning management system did not automatically exclude employees who had left the organisation or those on long term absence (such as maternity leave). This legacy data has migrated to the new platform, meaning that current compliance figures remain affected by the inclusion of leavers and long-term absence. The Human Resources team has advised the data cleansing is underway and that reliable compliance reporting, without the need for manual intervention, is expected to be available by the end of May 2026.
- 5.9. As at the end of the reporting period, following the launch of new learning platform, 696 employees are recorded as compliant, with 499 employees recorded as non-compliant.

These figures should be interpreted with caution, as they remain impacted by legacy data and do not yet represent a fully cleansed position. Updated and accurate compliance data will be reported to members in the next update, once the data validation exercise has been completed.

- 5.10. Considering the current economic climate and introduction of the corporate offence of the failure to prevent fraud the frequency of refresher training has been revised from three-yearly to every 18 months, intended to strengthen ongoing staff awareness and reinforce fraud detection and prevention responsibilities.
- 5.11. The new training course incorporates a structured feedback mechanism. Evaluation of responses indicates most participants found the course engaging, effective in raising baseline fraud awareness, and well aligned with its stated learning objectives. Feedback also highlighted opportunities for future fraud awareness enhancement. E.g. bitesize frequent reminders.
- 5.12. Colleagues within the Housing Benefit team in Revenues attended a departmental focused fraud refresher training session tailored to the specific fraud and error risks associated with benefit administration. Targeted training of this nature provides assurance that staff working in higher-risk service areas are equipped to recognise indicators of fraud and apply controls consistently. This approach supports effective risk mitigation by strengthening preventative controls at the point of service delivery and reducing the likelihood of fraud loss.
- 5.13. Individuals with access to revenues systems have been asked to complete a declaration of interest's form. This serves as a formal reminder that system access should only be used where there is a legitimate business need. To uphold the integrity of the data held within these systems, administrators are instructed not to access their own records or those of family members, close friends, or neighbours. The declaration reinforces this requirement and supports the council's commitment to responsible data handling and ethical system use.
- 5.14. Torbay Council is a subscribing member of the National Anti-Fraud Network (NAFN). This membership provides access to timely intelligence and alerts on emerging and known fraud risks affecting local authorities across the UK. As fraud activity frequently spans multiple organisations and areas, these alerts support early identification of threats, reinforce that fraud is not constrained by geographical or political boundaries, and enable the Council to take proactive and informed preventative action.
- 5.15. On receipt of an alert, the information is reviewed by the Counter Fraud Team and appropriate internal enquiries are undertaken to determine whether Torbay Council has been affected by the same fraud activity or perpetrators
- 5.16. Relevant alerts are also shared more widely within the organisation to raise awareness of emerging and known fraud risks, with the aim of preventing similar fraud types from occurring locally.

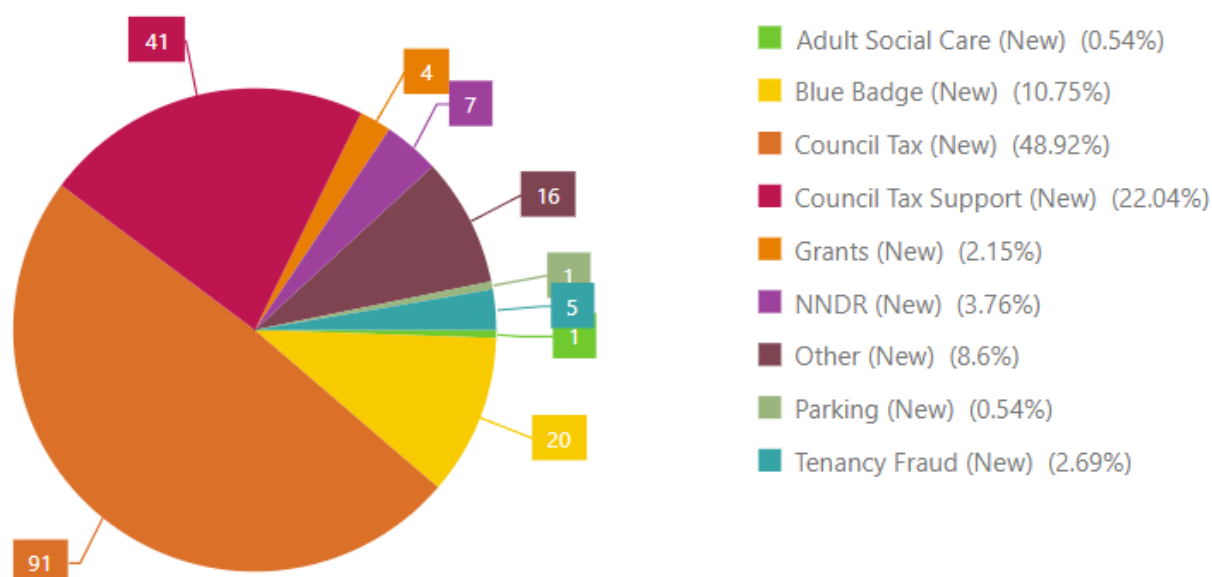
- 5.17. In addition to responding to national intelligence, Torbay Council proactively identified a further two potential fraud risks and shared this intelligence with the National Anti-Fraud Network, contributing to the wider sector response and collective fraud prevention effort.
- 5.18. It is through an array of awareness that fraud is prevented, detected and reported. In this reporting period we have found fake QR codes on parking equipment and have been targeted by fraudsters attempting to divert the salary of a Torbay Council employee.
- 5.19. The team has carried out 30 landlord fit and proper checks to support the work of the Housing Standards Team. This figure is excluded from 6.1.
- 5.20. During the year, the Council implemented a cost-effective tool to support safe, secure, and proportionate data sharing across local authority departments and organisational boundaries. The tool enhances the Council's ability to identify and prevent fraud occurring across multiple service areas and provides additional benefits in supporting more efficient debtor tracing. It is anticipated that this will lead to improved income recovery and reduced demand for data protection requests within the Revenues and Recovery service. As is common with preventative fraud controls, it is not possible to quantify the full value of savings directly attributable to the tool; however, the initial trial period demonstrated a clear return on investment.
- 5.21. The tool has been rolled out to the Housing Standards team and we continue to seek to encourage wider use of the tool across other departments.

## 6. Detection – Acknowledge (Third Line of Defence)

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- 6.1. The Counter fraud teams work is varied and covers a wide programme of reactive and pro-active investigations. The diagram below demonstrates the diverse nature of the 186 referrals received in this reporting period and the types covered. N.B. The word “**new**” is included to distinguish categories introduced during the system redesign, helping users transition seamlessly from the former system to the updated framework.

## Count of Cases by Case Category



- 6.2. When undertaking reviews, the fraud support officers (Technicians) identify cases of potential fraud. These cases are added to the case management system for further investigation.
- 6.3. Intelligence was shared with partner organisations, including the Department for Work and Pensions (DWP) and National Anti-Fraud Network (NAFN), where appropriate.
- 6.4. This reporting period has seen the provision of 40 alerts from the National Anti-Fraud Network (NAFN) where the perpetrators have targeted more than one Local Authority. This figure is excluded from 6.1.
- 6.5. The Cabinet Office administers the National fraud Initiative (NFI), a mandatory national data-matching exercise designed to assist public sector bodies in the detection and prevention of fraud and error. The main NFI exercise is undertaken on a biennial basis, with additional targeted exercises conducted annually. Within Torbay Council, responsibility for delivering and coordinating the NFI rests with the Counter Fraud and Error Team. The Counter Fraud and Error Manager provides overall oversight of the Council's participation, including data submission, review of matches, coordination of investigations and reporting of outcomes, thereby ensuring appropriate governance, compliance and assurance throughout the exercise.
- 6.6. The main NFI exercise relevant to this report was undertaken during 2024/25. Reporting of outcomes is necessarily retrospective, as data is submitted at a fixed point in time and matches are then released nationally for investigation. Investigations take place over an extended period and outcomes continue to be identified and validated after the exercise year has ended. As a result, NFI reporting is typically one cycle behind the exercise year,

reflecting established Cabinet Office and Public Sector Fraud Authority practice and ensuring that outcomes reported to the Committee are complete, accurate and supported by concluded investigations.

- 6.7. **Appendix 2** is a separate document providing more detailed analysis of the 2024 NFI exercise in Torbay Council.
- 6.8. **Council Tax - Single Persons Discount (SPD) review commenced and completed**  
Following the single person discount amnesty undertaken in 2024/25, partners data-tank have undertaken a targeted review. Unlike previous reviews, this included households also in receipt of the Council Tax Reduction Scheme. This resulted in the amendment of 426 council tax bills resulting in increased collectable income highlighted in table 7.17.
- 6.9. The end of project report is provided as **Appendix 3**
- 6.10. The initial phase of this work involved screening all households in receipt of Single Person Discount against a combination of open-source intelligence and credit reference agency data. This approach enabled the Council to identify cases where it was likely that the discount had been incorrectly applied and to focus investigative activity on higher-risk households. Given the positive return on investment achieved, and the assurance provided, a decision has been taken to exercise the extension clause within the contract and to repeat the exercise in the 2026/27 financial year.
- 6.11. **Council Tax - Unregistered properties** an external provider, procured to undertake this work on a no win no fee basis, identifies properties which were otherwise unregistered for council tax purposes.
- 6.12. **Council Tax – Unregistered properties** the Torbay Counter Fraud team identified properties which were otherwise unregistered for council tax purposes.
- 6.13. **Council tax – empty homes premium avoidance** Torbay council, alongside many other Local Authorities, made changes to premiums for long term empty properties ranging from 100% through to 400% additional charge. This introduced a new fraud risk. Although the council tax team are aware of the indicators for empty property premium avoidance, it is unlikely all efforts to avoid the premium will be prevented. We have therefore taken a proactive approach to identify homes stood empty but in receipt of an occupied council tax charge.
- 6.14. **Council Tax – second home premium avoidance** the council, alongside many other local authorities, introduced a 100% premium on second homes. The premium introduced on 1 April 2025. This has introduced a new fraud risk. Although the council tax team are aware of the indicators for premium avoidance, we do not anticipate all efforts to avoid the additional charge will be thwarted. We have therefore started to define internal methods for indicators of avoidance alongside seeking external partners who can help.
- 6.15. **Undervalued or Unrated Business premises** continues to be an area of financial risk. However, due to the work undertaken internally by the counter fraud and business rates teams and through the external provider, the current risk is reduced evidenced through a decrease in the instances identified.

- 6.16. **Un-notified change of business owner** continues to be an area of financial risk, as the covid-19 pandemic highlighted business owners do not come forward to register for business rates. The risk remains present, and the team discovers changes because of other work but has not held resources to tackle this area to mitigate the risk to minimise impact.
- 6.17. Companies House data-matching against financial and benefits systems

## 7. Pursue - Redress (Fourth Line of Defence)

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- 7.1. Torbay Council has been victim of three incidents associated with the fraud types highlighted by a National Anti-Fraud network (NAFN) alert. For each incident, the Council is working collaboratively with the local authority leading the investigation.
- 7.2. Investigations were undertaken throughout the year, including compliance interviews, referrals to the DWP and escalation of cases to Finance Ethics and probity Group where appropriate.
- 7.3. Investigations have taken place throughout the period to identify fraud and error. The benefits received are detailed below. The figures shown for council tax are based on total liability, although the benefit is split between Torbay Council, Devon and Cornwall Police and Devon and Somerset Fire and Rescue Service.
- 7.4. The reporting period has seen 64 reports of blue badge fraud. This has resulted in 11 cases being referred to the issuing Local Authority or another organisation as Torbay Council does not have jurisdiction to investigate. 30 blue badge holders have been issued with a reminder of the rules and regulations pertaining to blue badge use. A request for 3 Blue badges returns made. 7 cases where the allegation was unfounded or lacked information. 7 cases where there were no grounds to pursue the allegation. 2 cases were proactive cases and preventative measures were put in place. The remaining investigations are ongoing.
- 7.5. **Money Laundering** During the reporting period, the council has investigated no suspected reports of money laundering. Therefore, no reports have been made to the National Crime Agency.
- 7.6. On 06/06/25 National Anti-Fraud Network provided an alert whereby fraudsters had hijacked a legitimate council account and made multiple payments to the account using many different bank cards. The council concerned had identified the activity, before the fraudsters could request a refund and claim their washed cash.
- 7.7. We worked with the Incomes Team and the Financial Systems Account Manager to interrogate our systems to provide assurance such an incidence was not happening or had happened in Torbay. Assurance is provided.
- 7.8. **Investigations** At the start of the financial year, investigative capacity within the Counter Fraud and Error Team was limited. Only one officer was fully qualified and accredited to undertake investigations, including the use of statutory powers and progression of cases to formal outcomes. One additional officer worked 0.8 full-time equivalent and was qualified to technician level, providing support but not able to independently lead investigations. A further post was filled on a secondment basis, with no prior investigative background.

7.9. This position reflected the earlier departure in August 2023, of a second full-time, fully-qualified investigator whose post was not replaced, leading to the gradual accumulation of a backlog. Funding for that role was subsequently repurposed to commission support from the Devon Assurance Partnership (DAP); however, the budget was not fully utilised and DAP also experienced resourcing pressures, which limited the support available. Consequently, investigative activity was prioritised towards higher-risk cases.

7.10. Looking ahead, DAP is actively recruiting to strengthen counter-fraud capacity, and it has been agreed that the vacant investigative post within Torbay Council will transfer to DAP as part of the wider service arrangement. However, the availability of fully qualified counter-fraud practitioners within the region remains limited, reflecting wider market pressures already noted in relation to capacity and resourcing. These constraints reduce resilience and flexibility within counter-fraud services.

7.11. By consolidating resources, progressing recruitment activity and investing in the knowledge and capability of the team, these arrangements are expected to improve both capacity and capability, enhance resilience, and reduce the risk of future backlogs.

Financial year	Cases awaiting review	Number of completed investigations	Cases under investigation	Prosecutions
2022/2023	0	0	26	0
2023/2024	4	99	56	0
2024/2025	1	66	81	0
2025/2026	2	256	111	0

7.12. **Partnership Working:** The team conducts investigations in partnership with the DWP where appropriate. Sending invitations to the DWP and receiving invitations from the DWP. Only fully accredited investigators are able to undertake this work

	under investigation	Cases closed	Cases prosecuted
2023/24	6	3	0
2024/25	8	2	0
2025/26	16	4	0

7.13. During this reporting period several cases have progressed to the stage of interview under caution. Following these interviews, redeterminations have been made by the relevant departments. As a result, 4 cases are prepared and submission made to the Crown Prosecution Service for consideration of legal action.

7.14. The team provides information to the DWP to support its own investigations into Housing Benefit and Universal Credit related frauds.

	Requests received	Requests completed
2025/2026	41	41

7.14 Where it is suspected a person is in receipt of Housing Benefit is committing fraud, a referral is made to the DWP. This reporting period has seen 54 referrals.

7.15 Prior to team integration, Devon Audit Partnership (DAP) were utilised to assist with investigations and redress once cases have undergone substantive checks by the Torbay Team. Following team integration, the compliance outcome figures are merged.

7.16 A part of the redress toolbox, is the option of compliance. This is a structured meeting conducted to assess whether an individual is adhering to relevant laws, regulations or policies or contractual obligations. In the context of local government, it typically involves gathering information and investigating potential fraud. The interview is carried out by a trained officer and may include reviewing documentation, asking targeted questions and recording responses for further analysis or enforcement action.

	Awaiting/under investigation	Compliance Interviews Undertaken	Compliance resulting in cashable savings
2023/24	31	29	£53,636.17
2024/25	21	18	£39,808.42
2025/26	33	25	£49,867.47

#### 7.17 Collectable income Identified

<b>Scheme</b>	<b>Number of cases reviewed</b>	<b>Number of removals/amendments</b>	<b>Cashable Value of amended liability</b>
Single person Discount Review (data-tank)	21,906	426	£371,824
Council Tax properties identified as empty	-	8	£ 16,454

Business Rates (external provider)	-	2	£11,077.80
Financial Information System Vs Companies House	337	67	£189,063
Housing Benefit Payees Vs Companies House	496	2	£ 2,726
HBOP Vs Companies House	3	0	£ 0.00
Ctax Vs NNDR composite properties	641	9	£28,439.63
NFI	1668	224	£203,598
<b>Totals</b>	25,051	<b>738</b>	<b>£823,182.43</b>

7.18 Due to the Single Person Discount (SPD) review being undertaken during this reporting period, together with the transition of the Counter Fraud and Error Team to the **Devon Assurance Partnership (DAP)**, the **NFI 2025 SPD exercise was paused to avoid duplication of activity and ensure effective use of resources**. Existing NFI records have since been reviewed and de-duplicated, leaving **746 records for potential review**. Given the time elapsed since these records were generated, a further screening exercise will be undertaken to ensure that any investigation work is **targeted, proportionate and focused on higher-risk cases**.

## 8. Investigative Capacity & Resourcing

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- 8.1. The Torbay Counter Fraud team commenced the financial year with limited investigative capacity.
- 8.2. With one fully qualified and accredited investigative officer counter fraud specialist capability, managing the team and acting as the Councils Money Laundering Reporting officer.
- 8.3. With one officer at 0.8 FTE, qualified to Technician level
- 8.4. One seconded officer with no prior investigative background
- 8.5. This followed the departure in August 2023 of a second fully qualified investigator whose post was not replaced, leading to a backlog. Funding was repurposed to commission support from the Devon Audit Partnership (DAP) however, both under-utilisation of the budget and DAP resourcing pressured constrained delivery.
- 8.6. The collective challenges being experienced by Torbay Council and Devon Assurance Partnership presented an opportunity to bring together the remaining expertise with a view to more integrated approach. A secondment, of Torbay's Counter Fraud team commenced in the Summer.

- 8.7. By consolidating resources, it is envisaged the teams can support the continued provision of counter fraud services effectively.
- 8.8. DAP is actively recruiting
- 8.9. The vacant investigative post will transfer to DAP as part of the shared operating model
- 8.10. This arrangement is expected to strengthen capacity, capability and resilience.

## 9. Review – Govern, Protect and Continuous Improvement (Fifth Line of Defence)

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- 9.1 The counter fraud and error Manager successfully obtained the professional qualification of Accredited Counter Fraud Manager. This accreditation strengthens the Councils specialist capability and provides additional assurance over the professional leadership, governance and technical quality of counter fraud activity, particularly during a period of organisational transition and change.
- 9.2 Learning from investigations has been used to strengthen controls and reduce recurrence, including:
- 9.3 Improved Blue Badge cancellation procedures following NFI analysis
- 9.4 New power BI reporting to detect suspicious activity
- 9.5 Improved IT starter process to strengthen audit trails for indirectly employed staff
- 9.6 Extension of the Single Person Discount Review contract
- 9.7 As referenced in 7.18, due to the SPD review and transition to DAP, the NFI 2025 SPD exercise was paused to avoid duplication. Following de-duplication 746 records remain.
- 9.8 As SPD data for 2026 has now been received, further consideration will be given to sequencing activity to ensure investigations are proportionate, targeted and provide best value for money, particularly given the planned repetition of the SPD review in 2026/27.
- 9.9 Fraud alerts frequently include details of bank accounts known to be linked to fraudulent activity. On receipt of such alerts, checks are undertaken to monitor Council payments and ensure that identified bank accounts are not used in future transactions with Torbay Council, relevant intelligence is retained and updated as new alerts are received, strengthening the Councils preventative controls and reducing the risk of financial loss.
- 9.10 With Polygamous working on the increase, we have identified a method to indicate an employee may be committing this kind of fraud. Again, strengthening the Council's preventative controls and reducing the risk of financial loss and reputational damage.

- 9.11 Procurement fraud is considered a low transactional, high value fraud risk area. Work has commenced to develop an approach to identify instances where procurement activity may be undertaken outside established procurement policies and processes. This initiative is being explored as a preventative control, recognising that non-compliant procurement activity can increase exposure to fraud, error and value for money risk. While this approach is still at a developmental stage and is not yet embedded, it is intended to support early identification of risk, enable timely engagement with services, and strengthen fraud prevention and compliance over time.
- 9.12 The West of England Fraud Officers meet on a regular basis to share intelligence, discuss emerging fraud trends, emerging risks and operational challenges, and reflect on learning from recent cases and investigations. The group is chaired by the Counter Fraud Manager, providing structured leadership and ensuring that discussions are focused on practical outcomes and shared priorities. Insights from these discussions are fed back into the wider counter-fraud team to strengthen preventative activity and support continuous improvement. This collaborative approach supports consistency of practice, promotes innovation, and ensures that the team remains responsive to evolving and increasingly complex fraud risk-landscape.
- 9.13 Over the coming months a further intelligent data driven initiative, to save money and deal with potential fraud and error will be put forwards with a view to making Torbay Council and it's partners a groundbreaking Council in the Counter Fraud arena.
- 9.14 **Appendix 4** provides a fraud response/resilience assessment for 2025-26 using the CIPFA/CIFAS expected Local authority/Public Body response to the risk of fraud and corruption.
- 9.15 Appendix 5 provides details of the counter fraud and error services currently provided to Torbay Council

## 10. Appendices

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- Appendix 1 - Counter Fraud Risk Assessment Audit
- Appendix 2 - National Fraud Initiative 2024-25 Year end report
- Appendix 3 – Single person Discount Review – End of Project Report
- Appendix 4 – fraud response/resilience assessment for 2025-26
- Appendix 5 – Current Counter Fraud Service provided & optional additional services