

Post April 2026 DAP Counter Fraud Service (Torbay Specific Version)

Context and Background

UK organisations, including Local Authorities are expected to maintain strong internal controls, risk management arrangements and governance frameworks. The widely recognised 'Three Lines Model' sets out how organisations achieve layered assurance, and within Local Government and regulated sectors this often extends to a five-line model offering additional resilience, scrutiny and oversight.

The Economic Crime and Corporate Transparency Act 2023 introduced the Failure to Prevent Fraud offence for large entities, requiring organisations to demonstrate 'reasonable procedures'. While not a formal statutory requirement for Local Authorities, regulators and external auditors increasingly expect organisations to evidence robust governance, clear lines of defence and effective arrangements for fraud prevention, detection and response.

The five-lines are grounded in CIPFA, HM Treasury, NAO and External Audit expectations and they are typically interpreted as below.

- 1st line – Service Delivery & Operational Management
- 2nd line – Management Oversight & Internal Controls
- 3rd line – **Specialist Counter Fraud and Compliance Functions**
- 4th line – Independent internal assurance
- 5th line – External scrutiny and accountability


These principles cannot be met without multiple lines of defence (The Five Lines).

Governance – Prevention – Detection – Redress - Review


Appendix 5 Torbay Council Specific Delivery 2026/27

Support Area and Expected Resource Commitment	Torbay	DAP Lead
		
Governance (12.5%)		
Fraud Policy & Strategy Oversight	X	Assurance Manager - Counter Fraud and Error
Fraud Policy & Strategy Development	X	Assurance Manager - Counter Fraud and Error
Governance Liaison	X	Assurance Manager - Counter Fraud and Error
Money Laundering (Policy Review & Support)	X	Head of DAP
Section 106 checks	X	Assurance Manager - Counter Fraud and Error
Prevention (41.5%)		
Fraud Awareness Training (New Starter & Periodic)	X	Assurance Manager - Counter Fraud and Error and Senior Assurance Officer Generic 45 Min sessions once per month are set up. Possible LA specific session if needed.
High-Level Fraud Risk Assessment	X	Assurance Manager - Counter Fraud and Error plus CF Officer support
Fraud Risk Assessment (Full Development)	RM Budget / time	Assurance Manager - Counter Fraud and Error plus Senior Assurance Officer (Risk)
Process Development	X	Assurance Manager - Counter Fraud and Error & Senior Assurance Officer
Recruitment Vetting Service	Not part of current Package	CF Team
Whistleblowing Support (Policy, Governance and Investigation)	X	Head of DAP Assurance Manager - Counter Fraud and Error CF / Audit Team

Appendix 5 Torbay Council Specific Delivery 2026/27

Support Area and Expected Resource Commitment	Torbay	DAP Lead
		
Fraud-Linked Policy Reviews	X	Assurance Manager - Counter Fraud and Error and Head of DAP
Housing/Homelessness Application Screening	Not part of current package	CF Team
Fraud awareness alerts & Horizon scanning	X	CF Manger – Senior Assurance Officer
Fit and Proper Checks for Housing Standards	X	CF Team
Detection (37.5%)		
Invitations to Joint Initiatives Across Devon	X	Head of DAP / Assurance Manager - Counter Fraud and Error
NFI: Data Upload & Progress Management	X	Assurance Manager - Counter Fraud and Error & Senior Assurance Officer
Screening of NFI Reports	X	Senior Assurance Officer plus CF Team
Completion of annual NFI reports (see separate appendix)	X	Senior Assurance Officer plus CF Team
FrAudits (Small audits triggered by CF work and including CF Officers)	Not part of current package	Senior Assurance Officer plus CF or IA Team
Data Matching	X	Senior Assurance Officer plus CF Team
Open-Source Data Matching	X	Senior Assurance Officer plus CF Team
Debtor Tracing (utilising data matching techniques)	Not part of current Package	
Compliance Interviews	X	Senior Assurance Officer plus CF Team
Empty Property Identification	X	Senior Assurance Officer plus CF Team

Appendix 5 Torbay Council Specific Delivery 2026/27

Support Area and Expected Resource Commitment	Torbay	DAP Lead
		
Redress (8.5%)		
Civil/ACAS/Employment Redress	Ad Hoc Commission	Senior Assurance Officer plus CF Team
Alternative Sanctions (warning letters/reminder letters etc)	X	CF Team
Prosecutions	X	Assurance Manager - Counter Fraud and Error plus CF Team
Joint Investigations with DWP	X	Assurance Manager - Counter Fraud and Error plus Senior Assurance Officer
LAIEF/Information Exchange	X	CF Team
Money Laundering Duties Discharge	X	Head of DAP & Assurance Manager - Counter Fraud and Error
End-of-Year Summary Report	X	Assurance Manager - Counter Fraud and Error & Head of DAP

Appendix 2 Torbay Council Specific NFI Delivery 2026/27

NFI Specific

The National Fraud Initiative (NFI) matches electronic data between public and private sector bodies to prevent and detect fraud. Public sector bodies are required to submit data on a regular basis with specified data requirements and specifications. External auditors continue to be involved in the NFI. They are able to use the output from the exercise to help them assess the arrangements that audited bodies have in place to prevent and detect fraud.

National Fraud Initiative Complete organisational oversight and delivery of the NFI programme from start to finish	Torbay	DAP Lead
Senior Responsible Officer	N/A	N/A
Key Contact	X	Assurance Manager – Counter Fraud and Error
Access Management	X	Assurance Manager - Counter Fraud and Error
Privacy notice compliance sign off & liaison	X	Assurance Manager - Counter Fraud and Error
Ensuring data formats, guidance, data specifications are followed and data supply deadlines met	X	Assurance Manager - Counter Fraud and Error
Nominating appropriate users to upload data submissions	X	Assurance Manager - Counter Fraud and Error
Act as, or appoint preferred dataset contacts	X	Assurance Manager - Counter Fraud and Error
Investigate all resulting matches (excluding VAT & creditors)	Service partially subscribed	Senior Assurance Officer & CF Team
Ensuring all key contact details are up to date	X	Assurance Manager - Counter Fraud and Error
Co-ordinate and monitor the overall exercise	X	Assurance Manager - Counter Fraud and Error
Ensuring outcomes from investigation of matches are recorded on the web application promptly and accurately	X	Assurance Manager - Counter Fraud and Error