

Internal Audit & Counter Fraud Shared Service
Medway Council & Gravesham Borough Council

Counter Fraud Update

Medway Council

For the period:

01 April – 31 July 2025

1. Introduction

- 1.1 The Internal Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The service provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud.
- 1.2 The Counter Fraud team reports periodically to the Audit Committee to provide updates on all counter fraud activity and the results of completed investigations.

2. Executive Summary

- 2.1 Over the first four months of 2025-26, 22% of projected resource has been delivered across a range of activity. One of the Intelligence Analysts has passed her apprenticeship with distinction and has been able to transfer this learning to a Diploma.
- 2.2 Fraud awareness training sessions have taken place with two services, including document verification training for one of those and officers have also been engaging with Members of the public at the Medway Makers Live event at the Hundred of Hoo Academy.
- 2.3 Council tax matches arising from the latest National Fraud Initiative exercise have been progressing and the team has been undertaking pro-active work in various areas of the council, including blue badge enforcement in partnership with the CEO's, which has led to notional savings of £18,000 and income of between £300 and £600, as well as visits to out of borough temporary accommodation placements and the verification of right to buy applications.
- 2.4 Investigative activity has continued and cashable savings of £30,389 during the reporting period. There was also a successful conviction during the period with the former employee of a contractor handed a suspended sentence and rehabilitation order for fraud by abuse of position, after using their position to fraudulently obtain vouchers under the household support fund scheme.
- 2.5 Good liaison has been maintained with the Police and other investigative bodies, with all requests for information responded to within set timescales. Information on Housing Benefit claims has been provided to the DWP in accordance with local SLA's for SFIS investigation.

3. Resources

- 3.1 The Internal Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The Counter Fraud team consists of; the Head of Internal Audit & Counter Fraud (0.35FTE), one Counter Fraud Manager, four Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (1.86FTE).
- 3.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 76% for Medway, with the remaining 24% for Gravesham. The establishment at the time the Counter Fraud Plan for 2025-26 was prepared, was forecasted to provide a total of 1127 days available for counter fraud work (net of allowances for leave, training, management, allocation of resource to internal disciplinary and grievance cases, administration etc). The Counter Fraud Plan for Medway was prepared with a resource budget of 553 days for counter fraud work.
- 3.3 Net chargeable days available for Medway for the period 1 April to 31 July 2025 amounted to 120.8 days, which equates to delivery of approximately 22% of the projected 553 days of resource. Of this chargeable time, 8.7 days (7.2%) was spent on fraud awareness & prevention, 43.7 days (36.2%) days on pro-active counter fraud activity, 53.1 days (43.9%) on investigation activity and 15.4 days (11.5%) on

other counter fraud activity. The current status and results of work carried out are detailed at section 4 of this report.

4. Results of Counter Fraud work

- 4.1 The Counter Fraud Plan 2025-26 for Medway was approved by the Audit Committee in March 2025. The Plan is intended to provide a clear picture of how the council will use the Counter Fraud resource, reflecting all work to be carried out by the team for Medway during the financial year.
- 4.2 The tables below provide details of the progress of work undertaken as part of the 2025-26 annual plan and the results of investigative work completed during the period.

Fraud Awareness & Prevention

Ref	Activity	Days used	Current status	Summary of activity
1	Fraud Risk Assessments	N/A	Not yet started	One of our new counter fraud officers is due to complete a fraud risk assessment course in September and will then be reviewing all existing assessments.
2	Fraud awareness	3.3	In Progress	<p>Fraud awareness sessions have taken place with School Finance Officers and the Councils Internal Audit & Licencing teams, the latter also covering document verification training.</p> <p>We continue to publicise the availability of sessions available via iShare while we look at digital training solutions to increase reach across the organisation.</p> <p>Officers from the Counter Fraud team attended the 'Medway Makers Live' event held at the Hundred of Hoo Academy, where information was made available to the public and officers were able to answer questions about people's concerns and advise on how they could report their suspicions.</p>
3	Corporate Working Groups	N/A	Not yet started	There have been no requests for attendance at corporate working groups during the report period.

Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
5	National Fraud Initiative	19.6	In progress	<p>The Committee received their annual report in July, covering the period up to 30 June 2025. A total of 3735 matches were received as part of the 2023-24 annual council tax exercise and all matches have now been dealt with; concluding activity in relation to that exercise with a success rate of 4.95%. This has led to additional CTAX liability of £73,729 and an additional £49,312 in future years in relation to discounts and council tax reduction awards that will no longer be applied.</p> <p>19,491 matches have been received since December 2024 in relation to the 2024-25 exercise, with the majority of these matches being reviewed by individual services, and any concerns being reported to counter fraud for investigation. The Counter Fraud team has retained responsibility for checking council tax matches. Of the 11,429 matches received relating to council tax, 4,504 have been checked, and 392 remain open for further enquiries, while 4,073 have been closed with no evidence of fraud/error and 24 have resulted in changes to discounts or exemptions, creating additional liability of £4,275 and an increase of £3,402 for future years. A decision is being made on whether to undertake checks on the remaining 3,588, which are in</p>

Ref	Activity	Days used	Current status	Summary of activity
				reports that have previously yielded very few results, therefore meaning that the checks may not be cost effective.
6	Kent Intelligence Network	N/A	Not yet started	To date the KIN activity has been focused on work relating to revenues (NNDR & CTAX), which has been dealt with by the Revenues team. The Q1 KIN MI return shows that four business premises have been added to the ratings list, generating additional NNDR of £17,057. A number of other newly identified ratable premises and residential premises are currently with the Valuation Office for assessment to establish ratable values and council tax bandings.
7	Pro-Active Exercises	24	Underway	Final checks of the results from the tenancy data match were completed, formally closing the exercise with no positive results. This provides assurance that council properties are being occupied by the registered tenants, although there is still a query over whether the lack of results is linked to data quality. The team has undertaken pro-active blue badge enforcement with Civil Enforcement Officers on two occasions, first a weeklong exercise in early April targeting various areas of the borough, which saw over 100 badges checked, resulting in the confiscation of 24 badges and issuing of 12 penalty charges for misuse. The Cabinet Office estimates that recovery of a blue badge amounts to a saving of £750, meaning the exercise generated notional savings of £18,000, plus income of £300 to £600 from penalty charge notices. The team also conducted activity with Parking for National Blue Badge Enforcement Day on 24 May. The teams have been working on a referral process for CEOs to pass on details of misused badges, or potential fraudulent badges. Pro-active visits have been undertaken to all out of borough Temporary Accommodation placements to ensure that they are being occupied and the individuals are in genuine need of housing. No fraudulent activity was identified in the period. Right to Buy applications have been subject to verification checks by Counter Fraud before progressing.

Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Blue Badge	1	One case concluded with no evidence of fraud/misuse.			
Council Tax	14	14 cases concluded with the removal of the council tax discount/exemption/reduction or creation of new liability.	£23,062 (Historic Liability)	N/A	N/A

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
			£7,326 (Additional liability for future years)		
Housing Allocations	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
Tenancy	7	Seven cases concluded with no evidence of fraud.	N/A	N/A	N/A

Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
Polygamous Working	<p>A former agency employee was investigated for potentially working for more than one council at the same time. Although it was established that the dates of employment overlapped, there was insufficient evidence available to prove that the individual had been claiming to have worked hours for both councils at the same time, so the case was unable to progress.</p> <p>Recommendations have been made for control improvements to prevent this potentially happening again in the future.</p>
Abuse of Position	<p>The employee of a contractor working on behalf of Medway to administer applications under the Household Support Fund was found to have used their position to obtain vouchers for personal gain, totalling £10,370. The findings were passed to West Yorkshire Police as the employee was a remote worker living in the North of England. The employee made admissions when interviewed by Police and subsequently pleaded guilty to offences under the Fraud Act 2006. She was sentenced to 12 months imprisonment, suspended for 24 months, 20 days of rehabilitation activity and an order to pay costs.</p> <p>The contractor, who immediately took disciplinary action resulting in dismissal, has reimbursed Medway the £10,370 to ensure there is no loss to the public purse despite these being the actions of a rogue employee.</p>

Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	1.1	The team have responded to requests for Housing Benefit data linked to eight DWP investigations, providing all necessary details. We have also received notification of one cases being concluded with no fraud identified and have received a request for claim reassessment on one of those cases, which is being actioned by the benefits service.

Ref	Activity	Days used	Summary of activity
10	Responding to information requests	14.3	The team have responded to 326 requests for information from the Police and a number of other investigative bodies during the period, providing necessary information in accordance with the data protection protocols and within target timescales.
11	Partnership Liaison	0	No activity in the period.

5. Performance Monitoring

5.1 The Counter Fraud Plan includes a suite of seven performance indicators used to monitor the effectiveness of the team. The monitoring of performance data largely automated through the team's time recording processes and reports available from their case management system. It should be noted that the results recorded below have not been subjected to independent data quality verification.

Ref	Indicator	Outturn for period
CF1	Proportion of projected resources delivered	22%
CF2	Proportion of chargeable time spent on: a) Fraud Awareness & Prevention b) Pro-Active Counter Fraud Activity c) Responsive Investigation Activity d) Other Counter Fraud Activity	7.2% 36.2% 43.9% 11.5%
CF3	Number of investigations closed	24
CF4	Number of civil actions resulting from investigative activity a) Civil penalties for negligence b) Right to Buys cancelled c) Council Properties recovered	0 0 0
CF5	Number of criminal sanctions applied a) Administrative Penalties b) Prosecutions	0 1
CF6	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	£30,689 £18,000 £0
CF7	Net costs of counter fraud function (including internal investigation resource) based on savings achieved	Our latest projections suggest net costs of £220,879 based on savings to date.