

# Counter Fraud Update

Medway Council

For the period:

01 August – 30 November 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 The counter fraud team continues to deliver work across the various areas of the counter fraud plan, with approximately 21% of projected resource been delivered over the period. The team maintains good progress with professional training and development and one of the Counter Fraud Officers has recently been awarded a certificate in fraud risk management.
- 2.2 Fraud awareness sessions have taken place multiple teams in Adults Social Care as well as an introductory session with Housing Tenancy Services, which has led to an increase in referrals. Officers have also been engaging with Members of the public at the Medway Live event at Mid Kent College.
- 2.3 Council tax matches arising from the latest National Fraud Initiative exercise have progressed significantly, with only one match remaining open, and plans are being made for other pro-active activity in the future.
- 2.4 Investigative activity has continued and cashable savings of £516,666 and notional savings of £97,000 identified during the reporting period.
- 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 August to 30 November 2025 amounted to 118.8 days, which equates to delivery of approximately 21% of the projected 553 days of resource. Of this chargeable time, 9.8 days (8.3%) was spent on fraud awareness & prevention, 8.9 days (7.5%) days on pro-active counter fraud activity, 85 (71.6%) on investigation activity and 15 days (12.6%) 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	2.3	In Progress	<p>Reviews of the existing fraud risk assessments have commenced and the results of these will be used to update the council's fraud risk register.</p> <p>The team has also helped with risk assessments required as part of the conditions for funding awards linked to the Warm Homes Local Grant and the Pride in Place Impact Fund.</p>
2	Fraud awareness	7.3	In Progress	<p>Fraud awareness sessions have taken place with a number of teams within Adult Social Care as we began to make use of a toolkit developed by the Fighting Fraud &amp; Corruption Locally Board; including the Mental Health Team, Quality Assurance Team, Long Term Service Team, and Client Financial Affairs.</p> <p>An Introductory session has also taken place with Housing Tenancy Services, which has led to an increase in referrals.</p> <p>The team was also represented at the Medway Live event held at Mid Kent College where they engaged and raised awareness with members of the public.</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	8.1	In progress	<p>19,552 matches have been received since December 2024 in relation to the 2024-25 exercise. A decision has been made not to dedicate resource to the checking of finance matches relating to duplicate payments due to previously low results and the fact that the council already has arrangements in place to identify duplicate payments, meaning that 5,416 will not be checked. 2,707 matches were allocated to individual services for review, with any concerns being reported to counter fraud for investigation. 40 matches await an initial check, but these were only recently received, and two remain open for ongoing investigations.</p> <p>The Counter Fraud team has retained responsibility for checking council tax matches. Of the 11,429 matches received relating to council tax, 4,755 have been checked, and only one remains open for further enquiries, while 4,386 have been closed with no evidence of fraud/error and 368 have resulted in changes to discounts or exemptions, creating additional liability of £297,716 and an increase of £141,847 for future years.</p>

Ref	Activity	Days used	Current status	Summary of activity
				6,674 matches have been rejected without further checks due to previously low results from those reports and sample testing showing no positive results from the latest matches. Submissions for the 2025-26 Council Tax exercise will take place in January 2026.
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 Q2 KIN MI return shows that since 1 April, 19 business premises have been added to the ratings list, generating additional NNDR of £747,929, along with an increase of £302,085 in future years. 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	N/A	Underway	No activity in the period, although a data protection impact assessment is awaiting evaluation for a proposed data match with other Kent Authorities to look at housing applications. We are also exploring the potential use of AI for internal data matching.

### Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	371	316 cases concluded with the removal of the council tax discount/exemption/reduction or creation of new liability. 33 cases concluded with the SPD replaced with an alternative student discount. 22 cases concluded with no evidence of fraud	£361,159 (Historic Liability) £155,507 (Additional liability for future years)	N/A	N/A
Housing Allocations	2	One case concluded with removal from the housing waiting list. One case concluded with no evidence of fraud. But passed to a 3 <sup>rd</sup> party for subsequent enquiries into other matters.	N/A	£4,000	N/A
Tenancy	3	One case concluded with the recovery of a council property. Two cases concluded with no evidence of fraud.	N/A	£93,000	N/A

## Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
	Nothing to report for this period.

## Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	1.8	The team have responded to requests for Housing Benefit data linked to 16 DWP investigations, providing all necessary details. We have also received notification of two 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.
10	Responding to information requests	13.2	The team have responded to 238 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	21%
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	8.3% 7.5% 71.6% 12.6%
CF3	Number of investigations closed	382
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 1
CF5	Number of criminal sanctions applied a) Administrative Penalties b) Prosecutions	0 0
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)	£516,666 £97,000 £0
CF7	Net costs of counter fraud function (including internal investigation resource) based on savings achieved	Our latest budget forecasts suggest the cost of Medway's share of the Counter Fraud function will be approx. £210,991 (£272,340 when including internal investigation resource) Savings achieved up to 30 November total £665,194. This gives net costs of (£454,203) (or (392,854) when including internal investigation resource)