

# Counter Fraud Update

Medway Council

For the period:

1 December 2025 – 28 February 2026

# 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 19% of projected resource delivered over the period. The team maintains good progress with professional training and development and training suggestions have been added to the workforce development forward plan for 2026-27.
- 2.2 A Fraud awareness sessions has taken place with the Direct Payments Team, which has led to an increase in referrals. Workforce Development have also been provided with new dates for sessions to be made available on ishare and a Members briefing session is also planned. The team have also been on hand to provide ad hoc advice to services.
- 2.3 Matches arising from the 2024-25 National Fraud Initiative exercise have progressed significantly and good progress has already been made with the matches received as part of the 2025-26 council tax exercise. Some testing has been taking place using AI and publicly available data to see if this can be used for future pro-active activity.
- 2.4 Investigative activity has continued, although only a limited number of cases were concluded during the period, resulting in cashable savings of £3,168 and notional savings of £4,283 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 01 December 2025 to 28 February 2026 amounted to 104.4 days, which equates to delivery of approximately 19% of the projected 553 days of resource. Of this chargeable time, 14.4 days (13.8%) was spent on fraud awareness & prevention, 26.6 days (25.5%) days on pro-active counter fraud activity, 52.7 (50.5%) on investigation activity and 10.7

days (10.3%) 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	11.7	In Progress	Desktop reviews of existing fraud risk assessments were completed and used to inform the fraud risk register presented to the Audit Committee in January 2026. The risk register remains a live document, and we have moved to more formal reviews of the risk assessments with services, which are now planned on a timetable throughout the year, and will also look to fill any gaps in the register.
2	Fraud awareness	3.1	In Progress	A fraud awareness sessions has taken place with the Direct Payments team in Adult Social Care, which has led to some referrals being received. New dates for general awareness sessions have been provided to workforce development, and the updated counter fraud and corruption strategy has now been shared with all staff via meta compliance, with a Members briefing session planned.
3	Corporate Working Groups	0.7	In Progress	The team were recently invited to a children's social care finance panel to discuss some concerns around a particular case and the potential for fraud. Initial advice was provided, which was subsequently updated after some enquiries were undertaken confirming no evidence of fraud, and the service have taken this on board as they move forward with the case.

## Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
5	National Fraud Initiative	24.3	In progress	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 and two remain open for ongoing investigations by the Counter Fraud team. <ul style="list-style-type: none"> <li>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.</li> <li>4,386 have been closed with no evidence of fraud/error.</li> <li>369 resulted in changes to discounts or exemptions, creating additional liability of £298,871 and an increase of £142,277 for future years.</li> </ul>

Ref	Activity	Days used	Current status	Summary of activity
				Submissions for the 2025-26 Council Tax exercise took place in January 2026 and 5,870 matches were received. To date, 2,143 have been subject to initial checks, with 1,973 closed with no further action. 170 matches are currently open for further enquiries.
6	Kent Intelligence Network	N/A	Not yet started	<p>To date the KIN activity has been focused on work relating to revenues (NNDR &amp; CTAX), which has been dealt with by the Revenues team. The Q3 KIN MI return shows that since 1 April, 23 business premises have been added to the ratings list, generating additional NNDR of £759,330, along with an increase of £334,507 in future years. Two residential properties have also been added to the council tax banding list creating additional liability of £5,605 and an increase in future years of £2,867.</p> <p>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.</p>
7	Pro-Active Exercises	1.4	Underway	We have been running some tests using AI and publicly available information to try and identify potential discrepancies for investigation, but this work is ongoing.

### Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	4	Two cases concluded with the removal of the council tax discount/exemption/reduction. One case concluded with the SPD replaced with an alternative student discount. One case concluded with no evidence of fraud	£2,013 (Historic Liability) £1,155 (Additional liability for future years)	N/A	N/A
Direct Payments	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
Housing Allocations	1	One case concluded with removal from the housing waiting list.	N/A	£4,283	N/A
Tenancy	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
School Admissions	8	Two cases closed the withdrawal of the school place offer. Six cases concluded with no evidence of irregularity.	N/A	N/A	N/A

## Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
Case commenced as a result of an NFI match showing that an employee was receiving payments as a contractor.	The investigation confirmed that the employee was part time and the work as a contractor was known to the service. There was no evidence of any false declarations or conflicts of interest.

## Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	0.9	The team have responded to requests for Housing Benefit data linked to 8 DWP investigations, providing all necessary details. We have also received notification of three cases being concluded with no fraud identified.
10	Responding to information requests	9.7	The team have responded to 224 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	0.1	Officers attended the Kent & Medway Fraud Panel meeting.

## 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	19%
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	13.8% 25.5% 50.5% 10.3%
CF3	Number of investigations closed	13
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 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)	£3,168 £4,283 £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. £209,272 (£271,848 when including internal investigation resource) Savings achieved up to 28 February total £671,357. This gives net costs of (£462,085) (or (399,509) when including internal investigation resource)