

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

Counter Fraud Update

Medway Council

For the period:

01 April – 31 July 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 Over the first four months of 2026-27, 23% of projected resource has been delivered across a range of activity.
- 2.2 A programme of reviews for fraud risk assessments has commenced and a number have already been completed with various services. Awareness sessions have also taken place with services in Adult Social Care, as well as a generic session for staff to attend. Officers have also been engaging with Members of the public at the Medway Makers Live event at the Rochester Corn Exchange.
- 2.3 Almost all activity relating to the 2024-25 NFI exercise has been concluded (only one match remains open), with savings and additional income totalling £751,282. Council tax matches arising from the 2025-26 exercise have been progressing, with additional liabilities of £13,914, and future increase in liability of £5,562. Pro-active blue badge enforcement with Parking Services led to 504 badges being checked over a one-week period, with 11 badges seized and 16 PCNs issued, generating notional savings of £8,250 and penalty income of between £560 and £1,120. Enhanced verification of right to buy applications has also taken place.
- 2.4 Investigative activity has continued, with 16 investigations concluded, and cashable savings of £27,699, identified during the reporting period. The team continue to progress a number of investigations into various fraud types, including revenues and housing.
- 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 1119 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 550 days for counter fraud work.
- 3.3 Net chargeable days available for Medway for the period 1 April to 31 July 2026 amounted to 126.2 days, which equates to delivery of approximately 22% of the projected 553 days of resource. Of this chargeable time, 7.2 days (5.7%) was spent on fraud awareness & prevention, 38.5 days (30.4%) days on

pro-active counter fraud activity, 63.7 days (50.3%) on investigation activity and 17.3 days (13.7%) 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 2026-27 for Medway was approved by the Audit Committee in March 2026. 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 2026-27 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	4.3	In Progress	Reviews of fraud risk assessments in Adult Social Care (Direct Payments & Homecare), Blue Badge, Children's Social Care (No recourse to public funds and Placements), Concessionary Passes, IT & Digital, and Parking have all been completed during the reporting period. A review of the assessments for Procurement and Commissioning were also in progress.
2	Fraud awareness	2.9	In Progress	Fraud awareness sessions have taken place with safeguarding teams in Adult Social Care, and the Counter Fraud Manager has attended the Adult Social Care Divisional Management Team meeting to discuss fraud awareness and also supported a presentation to the Supported Living Project. A generic session organised via iShare has also taken place. Officers from the Counter Fraud team attended the 'Medway Makers Live' event held at the Rochester Corn Exchange, 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.
3	Corporate Working Groups	N/A	Not yet started	There have been no requests for officers to attend corporate working groups, although the Head of Internal Audit & Counter Fraud has attended the Corporate Risk Management Working Group where the fraud risk register is discussed.

Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
5	National Fraud Initiative	28.8	In progress	The Committee received their annual report in July, covering the period up to 30 June 2026. 19,552 matches were received in relation to the 2024-25 exercise, with the activity resulting in total financial savings of £751,282. Only one match remains open while an investigation is ongoing, although the disciplinary element of the case has been concluded. 5836 matches relating to Council tax have been received as part of the 2025-26 exercise since December 2025. As of 31 July, 3,923 had been subject to initial checks (the remaining 1,913 to be rejected follow sample checking of a specific report, five single person discounts had been removed, leading to additional liability of £13,914, and future increase in liability of £5,562. 220 matches remain open, with review letters having been issued to all those concerned.
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 two business premises have been added to the ratings list, generating additional NNDR of £5,919, with future

Ref	Activity	Days used	Current status	Summary of activity
				liability of £5,732. A new residential property has also been adding to the banding list creating liability of £5,533 and an increase in future liability of £2,835. 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	9.7	Underway	The team undertook pro-active blue badge enforcement with Civil Enforcement Officers during Blue Badge Awareness week in May, checking 504 badges over the course of the weeklong exercise, and resulting in the confiscation of 11 badges and issuing of 16 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 £8,250, plus income of £560 to £1,120 from penalty charge notices. Right to Buy applications have been subject to verification checks by Counter Fraud before progressing and work has also commenced on a review of Public Houses in receipt of business rate reliefs and exemptions.

Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	13	13 cases concluded with the removal of the council tax discount/exemption/reduction.	£19,072 (Historic Liability) £8,626 Additional liability for future years)	N/A	N/A
Housing Allocations	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
Tenancy	2	Two cases concluded with no evidence of fraud.	N/A	N/A	N/A

Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
Nothing to report	

Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	1.3	The team have responded to requests for Housing Benefit data linked to five DWP investigations, providing all necessary details. We have also received notification of one case being concluded with no fraud identified and have received a request for claim reassessment for one case, which is being actioned by the benefits service.
10	Responding to information requests	16	The team have responded to 268 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	23%
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	5.7% 30.4% 50.3% 13.7%
CF3	Number of investigations closed	16
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)	£28,819 £8,250 £0
CF7	Net costs of counter fraud function (including internal investigation resource) based on savings achieved	Our latest projections suggest net costs of £250,845 based on savings to date.