

Audit Committee

Counter Fraud
Annual Report
2024/2025

Plymouth City Council



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Head of Devon Assurance Partnership

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Senior Assurance Manager



1. Executive Summary

- 1.1 The following is the [Devon Assurance Partnership](#) (DAP) [Counter Fraud Services Team](#) Annual Report and update for July 2025. It outlines the counter fraud work undertaken in support of Plymouth City Council and its continued efforts to ensure that appropriate Governance processes are in place. This includes acknowledging the threats posed by fraud, preventing and pursuing those who would look to commit fraud and providing assurance that the Council and the public are being protected from fraud.
- 1.2 In the fiscal year 2024-25 the Counter Fraud Team have –
- ✓ Received and processed 203 allegations of fraud and related offences against the Council
 - ✓ Supported the Council's commitment to the National Fraud Initiative by checking matches and supporting the relevant departments accordingly. The exercise was completed again in January 2025 and matches are currently being checked. Results for this exercise will be provided at a future briefing.
 - ✓ Undertaken rolling monthly data analysis exercises to identify potential fraud and error in multiple Council systems.
 - ✓ Provided support and technical advice to management and staff around internal and external threats.
 - ✓ Issued 24 Warning Letters for incorrect use of Council Services
- 1.3 It is pleasing to be able to report that much good work has again been carried out across the Council and that fraud awareness and counter fraud activity is ongoing, we will continue to encourage this work throughout 2025-26.

2. Introduction

- 2.1 The Counter Fraud Services within Devon Assurance Partnership (DAP) continue to support and facilitate the development of the Council's Counter Fraud processes and capability to improve its resilience to fraud and related offences.
- 2.2 After many years of dedicated service, Ken Johnson, Senior Assurance Manager for Counter Fraud has retired. The successful activity within this report can be directly attributed to his committed and leadership in the fight against fraud.
- 2.3 The ongoing work will assist all Council staff, management, and members in identifying fraud and the risks associated with it. The aim is to provide the highest level of assurance utilising a joined-up service in association with our colleagues involved in Audit, Risk Management, and the Council itself to minimise fraud loss to the lowest level possible.
- 2.4 Reporting Counter Fraud activity is part of good Governance, and regular updates on the Council's Counter Fraud activity improves accountability; this report aims to meet this requirement and the requirements for such reports in accordance with the Councils own Anti-Fraud, Bribery and Corruption Policy and the accompanying Strategy and Response Plan.
- 2.5 It is always worth reiterating that fraud is a crime and should not be tolerated. Any fraud against Plymouth City Council is a fraud against the public purse. We will continue to acknowledge the threat from fraud, build processes and policies that will prevent fraud and pursue those who would commit fraud to ensure that the public retain confidence in the Council. Collaboration across the public sector will continue and strengthen under the current working arrangements through DAP and its partners.

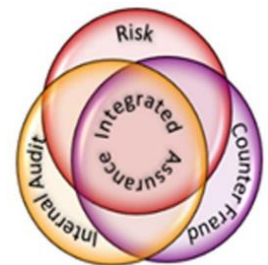
3. Fraud Response / Resilience Assessment.

- 3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) reports that Local Authorities have achieved success by taking a structured response to fraud and that they now need to respond to an ever-increasing fraud threat and further develop and enhance their counter fraud response by ensuring that it is comprehensive and effective and focused on the key changes that will make the most difference.

- 3.2 A Local Authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is acting with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.
- 3.3 DAP will continue to encourage best practice in line with CIPFA and other related guidance and enables the Council to share knowledge and understanding of the threats faced across the region and nationally by actively engaging with the West of England Fraud Group.
- 3.4 The 2024/25 assessment remains unchanged and at the same high standard. The link with various audits continues to prove effective and complies with the integrated approach that DAP is championing. (See Appendix 1)

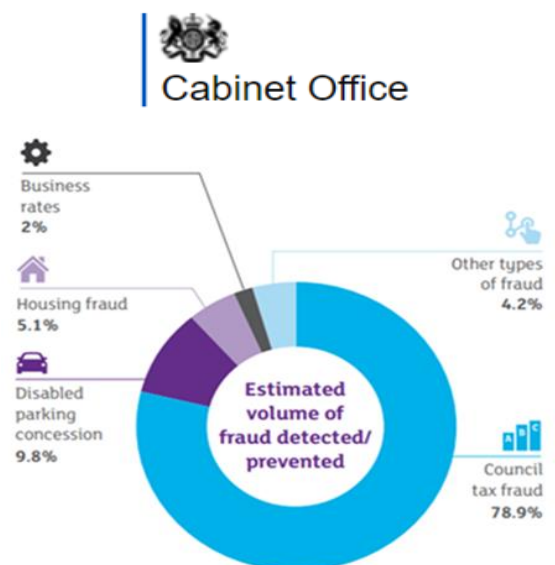
4. Integration of Counter Fraud, Risk Management, and Internal Audit.

- 4.1 The integration between these assurance arms continues to evolve and strengthen. Regular meetings between the relevant managers and staff ensure that cross collaboration is growing and improving so that Assurance Officers are aware of fraud and risk issues (See Appendix 1).
- 4.2 Assurance meetings between DAP and Council Officers help to ensure that direction, clarity and flexibility take place and continue to improve.
- 4.3 We are committed to further increasing awareness and supporting the most vulnerable in society who are more at risk of falling victim to fraudsters. DAP is working with its colleagues in the region. More information on fraud affecting the most vulnerable can be obtained via the [Action Fraud website](#).
- 4.4 We network with the broader group of Devon Councils to improve overall fraud resilience. We are also obtaining a mutual support and knowledge exchange with our counterparts in Cornwall County Council. The West of England Fraud Group involves Councils across the region looking at Fraud, Risk and Audit issues which affect us all.
- 4.5 Resilience and overall assurance are improved by the sharing awareness and knowledge, joining with others increases confidence in decision making and the Team will continue to look for new partners and agencies to further this end.



5. National Fraud Initiative

- 5.1 The [National Fraud Initiative](#) (NFI) is an exercise run and reported on by the [Cabinet Office](#) that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.
- 5.2 DAP acts as the main point of contact between the Cabinet Office and the Council in matters relating to the National Fraud Initiative, this being a mandatory Biannual exercise in fraud prevention and detection.
- 5.3 The prior exercises since 2020 resulted in changes in entitlement which have in turn resulted in an (estimated) total of **£2,694,723** in potential savings across the Council. The 2024/25 matches have been run and are now in the process of being checked. An update on this will follow in a future report.
- 5.4 Departments that complete the returned matches show that they are actively involved reducing fraud risk to improve assurance as well as making sure that wherever possible their data management is compliant with the Data Protection Act 2018.



6. Investigations and other ongoing work

- 6.1 We continue to support service areas that require data analysis and monitoring of transactions to act as early warning of impending cyber-attacks.
- 6.2 Regular reports and updates from varying sources such as the [National Anti-Fraud Network](#) (NAFN) and the [National Cyber Security Centre](#) (NCSC) are circulated across the Council by the Counter Fraud Services team to ensure knowledge and awareness are kept at levels suitable for the protection of the public purse and the public themselves.

7. Policy and Strategy updates

- 7.1 There has been no significant change in legislative or procedural requirements at this point in time in respect of the Anti-Fraud Policy, Strategy and Response Plan, however legislative change and or guidance from HM Government is imminent in respect of new [failure to prevent fraud offence](#) meant to hold organisations to account if they profit from fraud committed by their employees. This will improve fraud prevention and protect victims.

“An organisation may be criminally liable where an employee, agent, subsidiary, or other “associated person”, commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. In certain circumstances, the offence will also apply where the fraud offence is committed with the intention of benefitting a client of the organisation. It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud.”

- 7.2 Council policies will be updated at the appropriate time as a result of this legislation and the Councils compliance will also be reviewed.

8. Recordable savings and Results

- 8.1 In the current financial year 2024/25 the CFST have identified £179,378.41 in cashable savings and £1,062,880.02 in non-cashable savings making a total of £1,242,258.43 savings (calculated using national indicators supplied by the Cabinet Office) across the Council and it is anticipated that further comparable savings will continue to be realised in 24/25. (NFI savings are not included). There was also a further £25,169.93 Housing Benefit overpayments found which can be collected by Central Government
- 8.2 In the ten years that the Council has been recording ‘Cashable and Non-Cashable’ savings related to fraud it has achieved just over £12 million in savings across all areas of business. This is a significant sum and continues to justify the Council’s robust approach to countering fraud and re-assures the general public that Plymouth City Council is serious about protecting the public purse its assets and its citizens.
- 8.3 Fraud is by its very nature a hidden offence and therefore it must be assumed that the savings made and shown here are potentially the ‘tip of the iceberg’ and that further savings are obtainable. The higher the awareness and the more assets that are available to address this issue, the higher the potential savings figures will be in the future
- 8.4 Data Matching is used to identify fraud and error with savings shown in 8.1, in total there were 1127 matches checked, which help with the assurance of systems, and that the correct money or services are going to the correct people
- 8.5 Warning Letters have been issued to 24 individuals in relation to Parking Permits, Homeless Applications and Concessionary Travel Passes.

9. Conclusion

- 9.1 As has been stated before, there is much excellent work being done by the Council, its staff and those within DAP in order to minimise the impact from fraudulent activity, this is to be commended and encouraged.
- 9.2 Over the coming twelve months further intelligent data driven initiatives, to save money and deal with potential fraud and error will be put forwards with a view to making the Council a groundbreaking Council in the Counter Fraud arena.
- 9.3 The Council continues to show that it is committed to improving its assurance position in respect of its fight against fraud and it has never been more important to minimise losses to fraud to protect Council Services and those they serve.
- 9.4 At a time when financial pressure has never been greater it is imperative that no stone is left unturned in the pursuit of those who would fraudulently draw services, assets, and money from the Council to the detriment of those in genuine need of support. We know that fraud disproportionately effects the most vulnerable in our society and we will continue to robustly support the Council in its efforts to protect its citizens from the impact and effects of fraud.

The Devon Assurance Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services that will assist them in meeting their challenges, managing their risks, and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

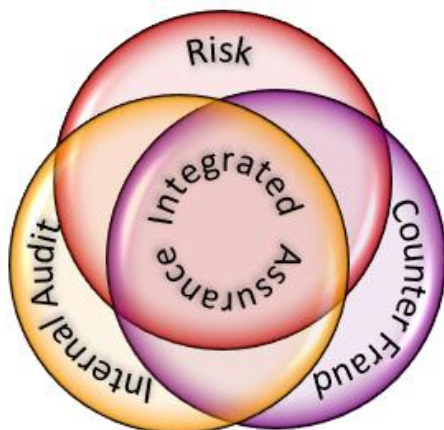
The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk

Confidentiality and Disclosure Clause - This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Our Vision

To be the leading provider of assurances services covering internal audit, counter fraud and risk management to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- **Assurance Audit** Plans based on the best and most up to date risk information.
- Agile **Internal Audit** Plan
- Live **risk management** reporting and support across the Council.
- Deliver a best-in-class **risk management framework**.
- **Counter Fraud** Team co-ordinate / undertake irregularities work coming through the **audit** plan.
- Potential irregularities triaged to **fraud or audit** for review. Use of data analytics.
- **Proactive fraud** work e.g. NFI, developing a delivery plan at client level.
- **Investigation** work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks.
- **Audit** scoping to include **Counter Fraud** input.
- Three-way liaison confirming risk and control.
- **Integrated reporting** to be delivered where possible.

Our Goals

	Meet Client Needs	<ul style="list-style-type: none"> •Counter Fraud Strategy •Integrated Audit, Risk and Counter Fraud Activity •Easy access to additional services •Respond jointly to client concerns
	IA, RM & CF Working Together	<ul style="list-style-type: none"> •Joint working practices •Staff understanding of audit, risk and fraud interrelationships •Assurance Officers
	Efficiency	<ul style="list-style-type: none"> •Joint reviews on client functions and operations •Best skills from each team used at the right time •Tell us once •Joint outcomes
	Infrastructure	<ul style="list-style-type: none"> •Integrated resource management •Joint Performance Reporting •Joint infrastructure