Cheltenham Borough Council Audit, Compliance and Governance Committee

Meeting date: **22 October 2025**

Meeting time: **6.00 pm**

Meeting venue: **Council Chamber - Municipal Offices**

Membership:

Councillors Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Cathal Lynch, Ben Orme (Vice-Chair), Julian Tooke, David Willingham.
Co-optee: Duncan Chittenden

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Agenda

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting (Pages 3 - 6)

4 Public and Member Questions
These must be received no later than 12 noon on the seventh working day before the date of the meeting

5 Internal Audit Update (Pages 7 - 32)
Report of Assistant Director, SWAP Internal Audit Services

6 Counter Fraud and Enforcement Unit Update (Pages 33 - 76)
Report of Head of Service, Counter Fraud and Enforcement Unit (CFEU)

7 Briefing Note - Review of Corporate Risk Register (Pages 77 - 84)
Briefing Note, Head of Governance, Risk and Assurance

8 Any other item the chairman determines to be urgent and requires a decision

9 Date of next meeting

10 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION
The committee is recommended to approve the following resolution:-

That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11 Recharging Mechanisms and Section 20 Process (Pages 85 - 102)
Report of Assistant Director, SWAP Internal Audit Services

Cheltenham Borough Council Audit, Compliance and Governance Committee Minutes

Meeting date: 9 July 2025

Meeting time: 6.00 pm - 6.40 pm

In attendance:

Councillors:

Adrian Bamford (Chair), Chris Day, Dr Cathal Lynch, Ben Orme (Vice-Chair) and Dr David Willingham

Independent Member: Duncan Chittenden

Also in attendance:

Paul Jones (Deputy Chief Executive (Section 151 Officer)), Lucy Cater and Victoria Bishop (Head of Governance, Risk and Assurance)

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1 Apologies

There were no apologies.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

The minutes of the meeting held on 28 May 2025 were approved as a true record.

4 Internal Audit Annual Opinion 2024-25

Lucy Cater, Assistant Director SWAP (LC) introduced her report, which is a summary of work conducted throughout the year; an opinion has to be submitted to the council to feed into the Annual Governance Statement and subsequently into the Annual Statement of Accounts. She directed Members to Page 18, where an overview of

work undertaken is presented, saying that CBC's record is good compared with other councils, and giving an overall reasonable assurance on controls and frameworks in place.

In response to Members' questions, LC and the Deputy Chief Executive confirmed that:

- the overall opinion is reasonable, even though one or two of the individual audits may be low reasonable;
- agreed actions are shared with Members on a quarterly basis, and although a monthly list is circulated internally to senior officers, allowing them to keep track of outstanding actions and chase if necessary, there is often no movement, and circulating the list to Members on a more frequent basis could be confusing;
- of the four agreed actions from 2023-24 which remain open, two relate to grant income – a follow-up audit has been conducted and a draft report will be issued soon. One related to work around an old CBH audit (service charges at James Donavan Court) - more evidence was required to close the audit and now this has been received, the policy is being reviewed and issued soon, closing off the action; the other concerns ICT business continuity plans, and a follow-up meeting with Publica/ICT is planned;
- some of the agreed actions are part complete, part not, and in these cases, the usual practice is to close off the old agreed action, open a new one with the matters that remain open, and bring that to the next committee;
- there are more Priority 1 and 2s this year than in 2023-4 – this came out of the voids process audit presented at the last meeting. An officer has been tasked with looking at the voids process, going back to the very beginning; he will discuss this with an auditor next month to see how work is progressing, and hopes to create a spreadsheet with all the voids and where they are at the moment. This work can be shared at the next meeting.

No vote was required on this item. The Chair thanked the Accounts Payable team for an excellent result.

5 Information Requests Annual Report 2024-25

The Governance, Risk and Assurance Manager introduced her report, focussing on the highlights and CBC's performance, and advising of a typographical error at Paragraph 5.1 – the number of requests is 847, not 4.847.

In response to Members' questions, she confirmed that:

- there is a process whereby FOI requests can be rejected if they will take too long to fulfil; she couldn't say how many requests are rejected but feels that this is an area where the council could be more robust. It currently uses exemptions where necessary, and has refused some requests in addition to pushing back on any requests which just ask questions rather than ask for recorded information, but a governance and assurance officer has just been appointed who will assist with FOIs and support a more rigorous process;
- the poor response record for the clean and green team can partly be attributed to staff in that area spending much of their working day out and

about, but a process for quarterly reporting is being set up, and the new officer can help here too, with closer monitoring and following up with officers; progress on this can be reported at the next meeting;

- in addition, a new software system is being introduced which sends automated reminders, after which a personalised email is sent and the matter can be escalated if no response is received;
- some responses not provided within the deadline could be just a couple of days overdue; this can be taken on board in next year's report;
- there is no specific documentation of FOIs sent directly to councillors, rather than to the public authority, although elements of an FOI could be concerned with internal communications. With the new system, it will be quick and easy to push back on FOIs that don't concern information we hold – such as ones which need to go to the county rather than the borough.

No vote was required.

6 Annual Governance Statement and Local Code of Corporate Governance

The Governance, Risk and Assurance Manager said the council is responsible for ensuring that business is conducted in accordance with the law and proper standards, and has a statutory duty to prepare an Annual Governance Statement as part of the statement of accounts, In preparing the statement, the council has to assess itself against the Local Code of Corporate Governance. This report recommends approval of the draft 2024-25 Annual Governance Statement and 2024-25 Local Code of Corporate Governance. The report has been written by the Monitoring Officer, and the amendments to the Code and Statement are minor.

A Member raised the issue of safeguarding, suggesting that everyone's understanding of this and a multi-agency safeguarding regime should be increased, maybe by conditioning safeguarding training for third parties as part of a licence application. He was concerned that lack of understanding could result in the criminal and sexual exploitation of children and vulnerable adults, the repercussions of which could be significant, and without going into specifics, felt that CBC is an important cog in some situations, especially around licensing and housing.

He said the licensing policy is currently under review, and it would be good to learn what has gone wrong elsewhere, and what we can do to improve safeguarding, including challenging partners at the county and the police to engage more fully with the council. The Governance, Risk and Assurance Manager confirmed that new safeguarding policies are a key area of focus in the licensing policy review, and said she was happy to discuss this further.

The Member felt that the policy could be improved with a good data sharing agreement, to ensure information is shared in a timely and transparent way. It was agreed that the outcome of the licensing policy review and Members' thoughts about it would be noted.

Regarding the Local Code of Corporate Governance, a Member felt that in view of its importance, it would be helpful if it could be explained on the website through some sort of communications strategy, perhaps a short, simple video highlighting five

things every resident should know and directing them where to go to find out more. He suggested that it would be useful if communications intentions were included in future reports.

The Governance, Risk and Assurance Manager said she would discuss this further with the Monitoring Officer, agreeing that transparency and good communication with the public aligns well with other work the council does.

The draft 2024-25 Annual Governance Statement and the 2025 Local Code of Corporate Governance were approved.

7 Work Programme

The Chair confirmed that the annual report would be ready for the next meeting, and that although the agenda looks busy, a lot of the items relate to external audit so it should be quite manageable.

8 Any other item the chairman determines to be urgent and requires a decision

There was no other business.

9 Date of next meeting

The next meeting is scheduled for 22 October 2025.

Cheltenham Borough Council

Audit, Compliance and Governance Committee –

22 October 2025

Internal Audit Update

Accountable member:

Councillor Peter Jefferies, Cabinet Member for Finance & Assets

Accountable officer:

Paul Jones, Deputy Chief Executive, Section 151 Officer

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council's functions. The work delivered by SWAP Internal Audit Services (SWAP), the Council's internal audit service, is one of the control assurance sources available to the Audit, Compliance and Governance Committee, the Executive Leadership Team and Service Leadership Team and supports the work of the external auditor.

The Annual Internal Audit Opinion presented to the Audit, Compliance and Governance Committee provides an overall assurance opinion at the end of the financial year. This Internal Audit Progress Report, however, is designed to give the Audit, Compliance and Governance Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.

Recommendations:

1. **that Audit, Compliance and Governance Committee considers the attached reports and makes comment on its content as necessary.**

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1. Implications

1.1 Financial, Property and Asset implications

There are no financial, property and asset implications arising from this report.

Signed off by: Paul Jones, Deputy Chief Executive, Section 151 Officer, Paul.Jones@cheltenham.gov.uk

1.2 Legal implications

There are no specific legal implications arising from the report and its recommendation.

Monitoring the implementation of Internal Audit recommendations assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

Signed off by: OneLegal, legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

None arising from the report agreed actions

Signed off by: Maizy McCann, Climate Officer, Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

*   Quality homes, safe and strong communities

*   Reducing Inequalities, supporting better outcomes

*   Taking care of your money

1.5 Equality, Diversity and Inclusion Implications

No implications arising from the report agreed actions.

1.6 Performance management – monitoring and review

Regular monitoring reports are provided to this Committee and, in the interim period

regular meetings are held between Internal Audit and the Deputy Chief Executive. New and emerging risks are discussed, and the impact of the recommendations made by Internal Audit are discussed.

2 Background

2.1 The Audit Plan for 2025/26 was approved by this Committee in April 2025. The progress report enables the Audit, Compliance and Governance Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.

2.2 We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned during 2025/26 has been included for Members information.

3 Reasons for recommendations

3.1 This report highlights the work completed by Internal Audit and provides comment on the assurances provided by this work.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 None

6 Key risks

6.1 That weaknesses within the control framework, identified by the Internal Audit Activity, continue to threaten organisational objectives, if agreed actions are not implemented.

Report author:

Lucy Cater, Head of Internal Audit

Assistant Director, SWAP Internal Audit Services, Lucy.Cater@swapaudit.co.uk

Appendices:

Appendix A – Internal Audit Progress Report, October 2025
Appendix B – Open Agreed Actions

Background information:

N/A

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Cheltenham Borough Council

Report of Internal Audit Activity

October 2025

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Contents

The contacts at SWAP in connection with this report are:

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Principal Auditor
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- Contents:

    Internal Audit Definitions

    Audit Plan Progress

    Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **No**
- **Limited**
- **Reasonable**
- **Substantial**

● Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The "advice" offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

●   Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority 1	Priority 2	Priority 3	Comments
Operational	Counter Fraud and Enforcement Unit	Final Report	Low Substantial	1	-	-	1	Reported in July
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Reported in July
Key Financial Control	Payroll – Council Controls	Final Report	Low Reasonable	2	-	2	-	Reported in July
Follow-Up	Grant Income	Final Report	N/A	0	-	-	-	Reported in July
Governance	Data Maturity	Final Report	N/A	0	-	-	-	Report Included
ICT	Disaster Recovery – Revenues and Benefits	Final Report	Low Substantial	0	-	-	-	Report Included
Follow-Up	Voids Review	Interim Report	N/A	0	-	-	-	Report Included
Operational	Recharging Mechanisms (Housing Services)	Final Advisory Report	N/A	10	5	3	2	Reported Separately
Key Financial Control	Bank Reconciliations	In Progress						
Operational	Income Streams (Licensing)	In Progress						
Follow-Up	Property and Estates	In Progress						
Operational	Climate Change – Operational	Initiated						
Key Financial Control	Revs and Bens – Council Tax and NNDR	Ready to commence						

Audit Plan Progress

| Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Revs and Bens – Hben and Ctax Support	Ready to commence						
Operational	Housing Allocations	Planned						
Operational	Accounts Payable – Quarterly Review 2025/26	On Going						
Grant Certification	Carbon Data 2023/24	Ready to Start						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Corporate Governance Group	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

The following are the Internal Audit reports, of each audit review finalised,
since the last Committee update

SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Data Maturity – Final Report – September 2025

Audit Objective	To assess CBC's approach and understanding of data management against the Government's Data Maturity Assessment Framework

Advisory Report
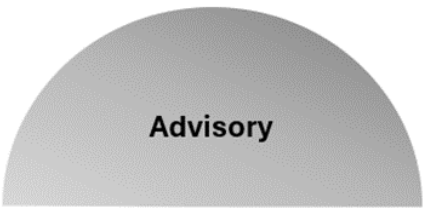
Advisory

The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations.
Please see below for details of why an advisory report has been used.

Introduction / Background

This audit was requested by the Director of Governance, Housing and Communities, with a view to providing CBC with a baseline assessment to support their journey in becoming a data driven organisation.

This is an advisory audit, which has used the Government's Data Maturity Assessment Framework (DMA) to help identify how well different areas of the organisation manage their data. The framework includes 10 topics, covering 97 points/questions, geared towards self-assessment. Led by discussions with Director of Governance, Housing and Communities, we have performed a high-level audit, focussing on 4 of the 10 topics, with the aim of setting the groundwork for a future self-assessment.

The 4 topics DMA covering 37 areas/questions are:	The DMA assessment is based on 5 levels:
• Knowing the data you have • Managing our data • Protecting our data • Taking responsibility for data.	• Level 1: Beginning • Level 2: Emerging • Level 3: Learning • Level 4: Developing • Level 5: Mastering.

We have assigned each topic a level – the criteria for each level changes across each topic. Our assessment is an overall picture surrounding each topic, rather than answering each question individually. It should be noted that this is just a starting point, and further work is required by CBC to determine a more accurate assessment.

Due to the nature of this audit, we have not tested to support statements made by officers, although we have looked at their business continuity plans to determine if data considerations have been detailed if systems are unavailable.

We focused our review on two key areas from the above four topics from the DMA:
• Part one considered the governance relating to data maturity at CBC, for example, policies and procedures.
• Part two considered the data maturity of four specific service areas via interviews with the 4 relevant service managers. The service areas were:
  - Parking;

- Revenues and Benefits;
- Housing – Community Services;
- Development Management; and
- Public Protection.
(split across 4 managers).

The aim of this report is to highlight areas for consideration, suggestions, or best practise relating to data maturity, rather than to provide agreed actions, in order to build on the work currently being undertaken by CBC.
We have spoken to service managers to gauge their knowledge of data maturity in practice, and have not spoken to anyone with the IT department to ascertain what is done from a technical standpoint.

The Director of Governance, Housing and Communities has provided a management response to each topic, which has been included within this report alongside our findings.
The response is their opinion on the levels of where CBC currently sit, based on their knowledge – the Director has a broader knowledge of data maturity across CBC than we are able to obtain from talking to a small number of officers, therefore we have added in their insights to highlight where they believe levels are different to our assessment, and why. The Director also advised that IT have not been consulted, and that the levels chosen might change once engagement with IT has taken place.

Findings

The following is a summary of our key findings and suggestions in relation to the four topics from the DMA framework. An appendix to this report provides further detailed information which support our findings.

1. "Knowing The Data You Have"

We assessed 3/4 areas within this topic based on information sourced online and/or interviews conducted.
- Ensuring findability of data.
- Managing disposal of data in the right way.
- Recording the data you hold and ensuring people can access it.

There was insufficient information to assess:
- Keeping good metadata.

Key findings from our interviews:
- None of the Managers we spoke to have an asset register or data catalogue.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

- **Management Response:** The Director advised that they disagree with 2 of the 3 areas we assessed. They accept our assessment of 'Ensuring findability of data' is true of some information/data sets, but where the Council are using systems such as Civica, Uniform, QL and Idox, they believe that CBC are more advanced. They further advised under 'Recording the data you hold and ensuring people can access it' that they do have a Register of Processing Activities, which is essentially an asset register, however it needs updating.

Suggestion: We suggest that the Register of Processing Activities is updated, and any further Asset Registers / Data Catalogues are implemented as necessary across CBC.

2. "Managing Your Data"

We assessed 12/15 areas within this topic based on information sourced online and/or interviews conducted.
- Building a data quality culture
- Managing data disposal the right way
- Communicating limitations of data appropriately to users
- Linking data collection processes to organisational outcomes
- Acquiring existing data in the right way
- Applying data users' needs to product design
- Collecting data with user needs in mind
- Conducting data quality assessments
- Managing data quality across the data lifecycle
- Understanding what data processing to automate
- Applying data standards in your organisation
- Engaging with cross government data standards.

There was insufficient information to assess:
- Understanding the data quality needs of your users
- Building reproducible data processing
- Engaging senior leaders with data and its value to the organisation.

Key findings from our interviews:
- 2 managers do not have Data Retention Schedules, and the other 2 advised they have Data Retention Schedules that need updating.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 3**.

Management Response: The Director advised that they disagree with 3 of the 12 areas we assessed.
The Director advised that they accept CBC are at a level 2 for 'Applying data users' needs to product design' due to reasons such as Netcall and a new compliance scorecard). They further advised that CBC are developing in 'Collecting data with user needs in mind' and are therefore a level 2 in this area). For 'Applying data standards in your organisation', they believe that CBC are higher than we rated them. There are lots of examples within housing in particular where they are higher, and are data based on business need not just compliance.

Suggestion: We suggest that all Data Retention Schedules are reviewed and updated.

3. "Protecting Your Data"

We assessed 8/10 areas within this topic based on information sourced online and/or interviews conducted:
- Managing policies for data protection and data security
- Controlling access to data
- Reviewing governance and security incident responses
- Ensuring business continuity for data
- Measuring the effectiveness of your data protection processes

- Training staff to comply with and enforce data protection regulations
- Training staff to work with data securely
- Protecting your data.

There was insufficient information to assess:
- Assessing risks to data assets; and
- Recording and securing your data tools and systems.

Key findings from our interviews:
- All 4 managers provided CBC Business Continuity Plans (BCP's) created in 2024
- 3 BCP's contained Business Continuity Team contact details that were either not up to date or not sufficient in detail
- 2 BCP's were not fully completed
- 3 of the managers advised they have not tested their BCP since the new format was introduced. At the time of report writing, we were still awaiting a response from 1 manager
- All BCP's include a 'Loss of IT systems' section and 'Manual workarounds' appendices.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

Management Response: The Director advised that they disagree with 5 of the 8 areas we assessed.

The Director advised that they believe that CBC scores higher than we rated them for 'Controlling access to data', but would like IT's view on this. They believe that CBC are at a level 3 for 'Reviewing governance and security incident responses' as they "*review all data breaches as they come in, plus quarterly at the corporate governance group. We also have our annual PSN submission*". They also advised that CBC are at a level 3 for 'Ensuring business continuity for data', as CBC has both a corporate recovery plan and "a centralised storage area for all service level plans". For 'Training staff to comply with and enforce data protection regulations', CBC are higher due to the level of reports they get suggesting a higher awareness. They also disagree with our assessment of 'Protecting your data', but would like to speak with IT regarding this.

Suggestions: 1) We suggest that a review of all BCP's should be undertaken to ensure they are current, complete, and that data is fully considered. 2)We suggest that BCP testing is undertaken across CBC to ensure the data arrangements included are effective. 3) We suggest that CBC consider utilising the Matobo Data Confident online training. 4) We suggest that CBC review whether systems are locked down fully enough, and ensure that only the necessary staff have access as required. NB: We can confirm that since this report was first issued, CBC have put out communications instructing all staff to undertake mandatory Matabo Data Confident training.

4. "Taking Responsibility for Data"

We assessed 6/8 areas within this topic based on information sourced online and/or interviews conducted:
- Defining and recording accountability and ownership for data
- Creating and embedding data governance
- Defining who should have responsibility for data
- Maintaining awareness of data legislation within senior leadership
- Creating and enforcing structured responsibility and accountability for data
- Defining oversight and responsibility for ensuring staff have necessary data skills.

There was insufficient information to assess:
- Taking responsibility for recording the data you hold
- Assigning ownership and responsibility for data tools and systems.

Key findings from our interviews:
- 2/4 managers advised Officers had been allocated in their service areas as responsible for the systems they use and the data they hold; and
- 3/4 managers thought all Officers in their service areas are aware of their data related responsibilities, 1/4 manager advised they thought Officers are aware of the issue generally, but probably not in terms of detailed awareness.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

Management Response: The Director advised that they agree with all 6 areas we assessed.

Suggestion: We suggest that work be undertaken to ensure that data related practices become more consistent, and that they are understood and embedded at all levels of the organisation.

Conclusion

All service areas tested within our review have good examples of data maturity; however, this could be enhanced to improve the overall level of data maturity that CBC are operating at.

CBC are committed to ensuring they are operating at a high level of data maturity. We have included suggestions for consideration within this report which aim to increase CBC's overall data maturity as an organisation.
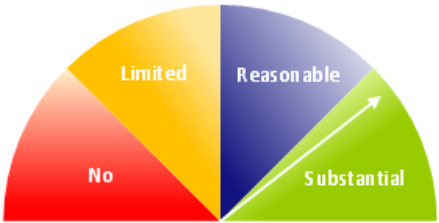
Failure by the Council to continue to grow their data maturity with the aim of all employees having the necessary awareness and understanding, could lead to data being unavailable and poorly managed, potentially resulting in flawed decisions being made, strategic, operational and corporate priorities left unmet, and potential data breaches.

Disaster Recovery (Revenues and Benefits) – Final Report – October2025

Audit Objective	To replicate an ICT disaster recovery (Revenues and Benefits service) scenario and provide assurance that Disaster Recovery arrangements are managed effectively.

Executive Summary

Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium
The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.	Priority 1	0	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
	Priority 2	0		
	Priority 3	0		
	Total	0		

Key Conclusions

Disaster Recovery Test: This test intends to replicate a disaster scenario where the Council's physical servers are unavailable. Established criteria for a successful test this year is being able to fully recover and operate the Revenue & Benefits application for each of the 4 Councils in a secure cloud environment using cloud back-ups. Preparation is crucial for ensuring the cloud recovered applications do not interfere with the live applications hosted on the Council servers.

Challenges Encountered: When the recovery test started it was identified that some supporting systems were not starting as expected when mounted in Microsoft Azure (Cloud Computing Platform). This was tracked back to a recent change in the way Microsoft Azure handles recovered systems. It was decided, given that this was a test scenario, there was insufficient working hours' time to complete the recovery so the test was rescheduled while a solution was identified and implemented. If this had happened in a real disaster it is estimated that this problem would have delayed recovery by approximately 6 hours. A permanent solution for this issue is now in place.

The rescheduled test successfully navigated the issues from the first attempt and the recovery process began as expected. The team reconvened 48 hours later to allow sufficient time for data transfer and working hours. The necessary technical tasks were completed to bring the systems online allowing user access to the system. Screenshots were then obtained to demonstrate that test data was present in the recovered systems demonstrating system integrity.

Audit Scope

The audit includes:

- Test data insertion into the Council's Revenues & Benefits systems prior to the test commencing.
- Full walkthrough of the recovery process of the Council's Revenues & Benefits system.
- Confirmation that the data restored is accurate and data inserted in the on-premises system is present in the recovered system.

Scope exclusions: Service area plans are not included in this ICT review as they are audited separately.

Other Relevant Information

Senior ICT Officers have advised that the longer recovery times compared to last year's recovery test is due to the systems being approximately 4 times larger. A 48-hour window was allocated for this test, but it's important to note that recovery times will vary significantly depending on the nature of the disaster and the priority of systems requiring recovery.

Cyber incidents at neighbouring authorities have further demonstrated that borough and district Councils are targets for hackers. Officers see the threat of a cyber incident as a matter of when and not if. This is the main factor in assessing the Organisational Risk Assessment as "Medium".

Unrestricted

Voids Process – Interim Report – October 2025

Follow Up Audit Objective	Follow-Up of 2024/25 Voids audit to assess if actions to improve the management of void properties including ordering, inspection, monitoring, and payment processes have been implemented.

Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	1	1	0	2
Priority 2	4	2	0	6
Priority 3	0	0	0	0
Total	5	3	0	8

Interim Assessment.

We have prepared this interim report at the request of Audit, Compliance and Governance Committee to provide an update of the progress of the agreed actions from our 2024/25 Voids Advisory Review.

Since the original advisory audit was completed in October 2024, there has been significant staff turnover, work to improve the QL system is still in progress and therefore processes have not developed as swiftly as management planned.

Our findings have been summarised below; we have found 5 actions have been completed and 3 are in progress. Although some actions are complete, the underlying controls must still be operated effectively to mitigate against the risks we originally identified.

Once processes are established and embedded, we will undertake a full audit in this area and provide assurance accordingly.

Key Findings Update.

There is no Voids Management Policy or Procedure – In progress. The Director of Governance, Housing and Communities advised a Voids Management Policy has been drafted and is due to be approved by the Housing Committee this November.

Budget Monitoring is ineffective – In progress. The Operations Manager advised monthly budget monitoring meetings with Finance officers have recently been introduced and that processes are still being formally established. Therefore, we cannot assess this action as complete.

Lack of Management Oversight - In progress. More proactive monitoring of operational performance is being undertaken; weekly meetings at the Depot are being attended by the Head of Housing Services to monitor how operational works are progressing. But again, we have not seen sufficient evidence to assess the action as complete.

Declarations of Interests are not recorded - Action complete. As CBC Officers, all former CBH employees must now complete a Declaration of Interest form annually.

Financial Rules are not complied with – Procurement – Action complete. 3 major void contracts have been reviewed and awarded to Company A, Company B and Company C. The Head of Housing Services advised contract management work is ongoing and contractor meetings have been recently introduced. However, we have only seen contract management meeting minutes from early September for one contractor. It is important to ensure that regular, robust contract management meetings are undertaken to ensure contractors are held to account and value for money is achieved.

Orders are raised and approved by the same officer – Action complete. Orders are raised in QL, but all payments are now made in BW; review of recent voids invoices in BW found different registering and approving Officers.

Quotations are not easily accessible, and records maintenance is poor – Action complete. The Director of Governance, Housing and Communities advised now CBC are in contracts for major voids quotes are not used anymore.

Financial Rules are not complied with – Multiple works orders - Action complete. Review of a report of recent contractor void costs found there were no multiple works orders that were collectively over the £10,000 limit.
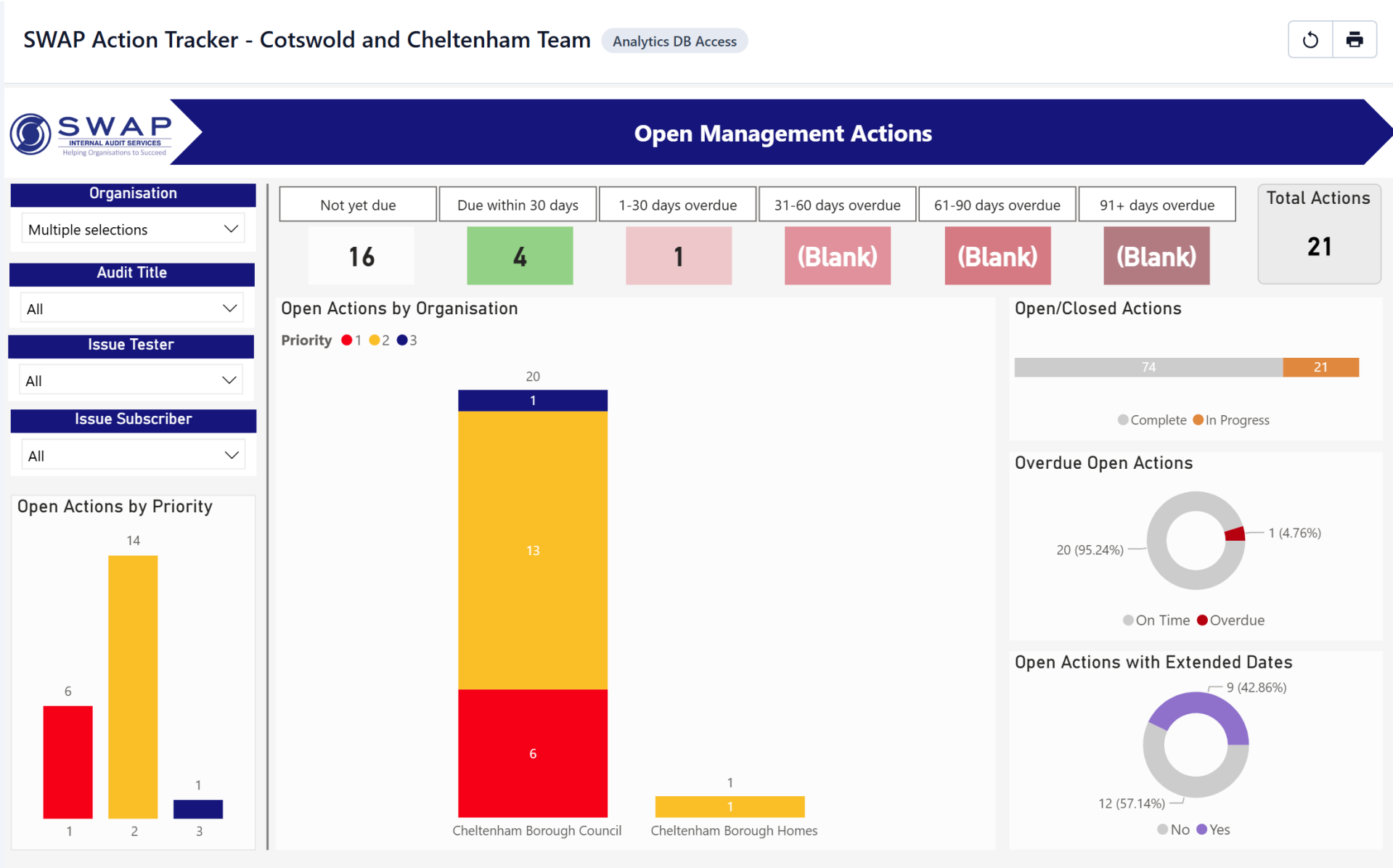
Observations and Next Steps.

The Head of Housing Services took over responsibility for overseeing the management of Void properties from the beginning of June 2025. We can report that work is still ongoing to address the control failures and findings identified in our original audit, and others which have come to light since this work began.

The Head of Housing Services advised there was not an accurate record of all Void properties including void costs when the officer took over responsibility for the service. We have seen evidence to support a basic interim Voids Database has been created, and the Head of Housing Services advised the information held for each void is now correct. Building on this, the Head of Housing Services advised work to review and formally establish all void processes is currently underway. And work to explore how the QL Housing system can be configured and automated to better support the management of voids will be undertaken with finance and IT including accurately tracking the progress of each void, void spend, the raising and approving of orders, spending limits and voids records management.

The Head of Housing Services advised (October 2025) the CBC inhouse team now focus on minor voids and the 3 recently procured contractors focus on all Major voids; at the time of report writing he advised 28 were currently with them. Since the interim Voids Database has been implemented, the Head of Housing Services advised operationally work to decrease the number of voids has been a high priority and the number of Voids has gone down from 172 in July 2025 to 150 (As of 19th September 2025 and excluding temporary furnished accommodation and James Donovan Court). The Head of Housing Services also advised since April 2025 CBC has received an additional 118 terminations and 23 new acquisitions.

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Open Agreed Actions – 8ᵗʰ October 2025

SWAP Action Tracker - Cotswold and Cheltenham Team | Analytics DB Access

Open Management Actions

Not yet due	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
16	4	1	(Blank)	(Blank)	(Blank)	21

Organisation
Multiple selections

Audit Title
All

Issue Tester
All

Issue Subscriber
All

Open Actions by Priority

Priority: ●1 ●2 ●3

- 1: 6
- 2: 14
- 3: 1

Open Actions by Organisation

Priority ●1 ●2 ●3

Cheltenham Borough Council: 20 (1 / 13 / 6)
Cheltenham Borough Homes: 1 (1)

Open/Closed Actions

74 | 21

● Complete ● In Progress

Overdue Open Actions

20 (95.24%) — On Time
1 (4.76%) — Overdue

● On Time ● Overdue

Open Actions with Extended Dates

9 (42.86%)
12 (57.14%)

● No ● Yes

Open Agreed Actions 8th October 2025

ID (Action Plan)	ID (Issue)	Audit Title	Title (Issue)	Issue Status	Period	Priority Score	Original Timescale	Timescale	Follow-Up Assessment
2372	2233	CBH - James Donovan Court Service Charges - 2022/23 Audit	There are no policies or procedures for James Donovan Court	Pending Remediation	2023/24	2	31/10/2025		Sept 2025: Governance, Risk and Assurance Manager advised that the Director of Governance, Housing and Communities has seen the draft version, but is waiting for the final to approve - delayed due to leave. Deadline
7076	6630	CBC - Payroll 2024/25	Mileage Claims missing trip details	Pending Remediation	2024/25	2	30/09/2025	31/10/2025	Assistant Director - Workforce Strategy & Transformation has picked this up for completion by 31/10/25
7077	6631	CBC - Payroll 2024/25	Receipts are not viewable in Business World	Pending Remediation	2024/25	2	31/12/2025		
5167	4832	CBC - Property & Estates H&S Compliance 2024/25	Manual processes in place are unreliable	Pending Remediation	2024/25	2	31/01/2025	31/10/2025	Oct 2025: Team still using manual spreadsheets until it can be agreed which compliance system they will use. However, everything now amalgamated onto one spreadsheet and have weekly updates to check it is up to date. Awaiting evidence for testing before closing action off. Deadline extended to account for time evidencing this.
5094	4763	CBC - Property & Estates H&S Compliance 2024/25	Risk assessments have not been undertaken for relevant properties	Pending Remediation	2024/25	2	31/01/2025	31/12/2025	Oct 2025: Principal Building Surveyor advised that 'asset inspections' are underway and are risk based – 50% of properties complete. Deadline extended to the end of the year to wait for rest of properties to be
5092	4762	CBC - Property & Estates H&S Compliance 2024/25	There is no overarching policy or procedures for the Property Team	Pending Remediation	2024/25	2	31/01/2025	31/12/2025	Oct 2025: We were advised that a wider H&S Policy has been created and awaiting SLT and Council sign off. Extended deadline until the end of the year.
7476	7013	CBC - Recharging Mechanisms - 2024/25	'Additional Works' wording on Section 20 Notices is insufficient	Pending Remediation	2024/25	1	31/12/2025		
6820	6387	CBC - Recharging Mechanisms - 2024/25	CBC QL – Recharges Data.	Pending Remediation	2024/25	1	31/12/2025		
6813	6380	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Governance and Documentation.	Pending Remediation	2024/25	1	31/12/2025		
6814	6381	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Monitoring.	Pending Remediation	2024/25	2	31/12/2025		
6823	6390	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Reconciliations	Pending Remediation	2024/25	2	31/12/2025		
6822	6389	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Repair Operatives PDAs.	Pending Remediation	2024/25	2	31/12/2025		
6815	6382	CBC - Recharging Mechanisms - 2024/25	CBC Recharging Schedule of Rates.	Pending Remediation	2024/25	3	31/12/2025		
7477	7014	CBC - Recharging Mechanisms - 2024/25	Document Storage is poor.	Pending Remediation	2024/25	2	31/12/2025		
7475	7012	CBC - Recharging Mechanisms - 2024/25	Non-compliance with the Section 20 Notice Process	Pending Remediation	2024/25	1	31/12/2025		
7474	7011	CBC - Recharging Mechanisms - 2024/25	Training for administering the Section 20 Notice Process is lacking.	Pending Remediation	2024/25	1	31/12/2025		
5149	4815	CBH - Voids Review - 2024/25	Budget Monitoring is ineffective	Pending Remediation	2024/25	2	31/12/2024	30/11/2025	Interim Report included
5150	4816	CBH - Voids Review - 2024/25	Lack of Management Oversight	Pending Remediation	2024/25	2	31/12/2024	30/11/2025	Interim Report included
5143	4809	CBH - Voids Review - 2024/25	There is no Voids Management Policy or Procedure.	Pending Remediation	2024/25	1	31/12/2024	30/09/2025	Interim Report included
7183	6734	CBC - Grant Income Follow Up 2024/25	Assessment and Awarding Grants - Segregation of Duties and Due Diligence	Pending Remediation	2025/26	2	30/09/2025	30/11/2025	Oct 2025: A review of recently paid grants demonstrates that segregation of duties principles are clearly applied within the finance system. Awaiting evidence of due diligence checks to close this action. Due diligence checks to be introduced for next round of grants - further follow-up required.
7182	6733	CBC - Grant Income Follow Up 2024/25	Grant Funding Terms and Conditions - Reviews	Pending Remediation	2025/26	2	31/10/2025		Oct 2025: New Funding Agreements in place for historical grants, awaiting further evidence to close agreed action

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Cheltenham Borough Council

Audit, Compliance and Governance Committee

22 October 2025

Counter Fraud and Enforcement Unit Report

Accountable member:

Deputy Leader and Cabinet Member Finance and Assets, Councillor Peter Jeffries

Accountable officer:

Paul Jones, Deputy Chief Executive (S151 Officer)

Ward(s) affected:

All indirectly

Key Decision: No

Executive summary:

The purpose of the report is to provide the Committee with assurance over the counter fraud activities of the Council and to update the Committee in relation to the areas of fraud risk mitigation. Direct updates will continue to be provided biannually.

The report presents the Committee with an updated Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership, as the body charged with governance in this area.

The report provides assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.

Recommendations: That the Audit, Compliance and Governance Committee:

> **Considers and comments on the report and attachments, Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan which**

are appended to the report.

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1. Implications

1.1. Financial, Property and Asset implications

The Strategy itself does not have any direct financial implications. However, the implementation of the work streams associated with the Fraud Risk Strategy will help identify loss avoidance measures and any costs associated with implementation will be contained within existing budgets.

The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money however there are other counter fraud provision options which could be considered if the Council wished to explore alternative arrangements.

Signed off by: Paul Jones, Deputy Chief Executive (S151 Officer), Paul.Jones@cheltenham.gov.uk

1.2. Legal implications

The legal implications are contained in the body of the report. The Strategy aids the application of an effective fraud risk management regime and assists the Council in effective financial governance which is less susceptible to legal challenge. Having reasonable fraud prevention measures in place reduces the risk of prosecution under the Economic Crime and Corporate Transparency Act 2023 and complies with HM Treasury guidance that organisations should identify, itemise and assess how they might be vulnerable to fraud, covering the risks in some detail.

Signed off by: One Legal, legalservices@onelegal.org

1.3. Environmental and climate change implications

None directly.

1.4. Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Looking after your money

1.5. Equality, Diversity and Inclusion Implications

The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.

The Counter Fraud and Enforcement Unit seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

2. Background

2.1. Risk Management is used to identify, evaluate and manage the range of risks facing an organisation. This includes consideration relating to the risk of fraud.

2.2. Fraud is the most common crime in the UK and costs many billions of pounds to private companies, individuals and the public sector. The cost of fraud and error against the public sector is estimated to be at least £33 billion per year, money that could otherwise be spent on the provision of public services.

2.3. Local Authorities have a responsibility to promote and develop high standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

2.4. In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.

2.5. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.

2.6. As the body charged with governance in this area, the Audit, Compliance and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.

3. Reasons for recommendations

3.1. The Counter Fraud and Enforcement Unit (CFEU) developed a Fraud Risk Strategy for implementation across the Partnership in 2022. Audit, Compliance and Governance Committee considered this in September 2022.

3.2. The Fraud Risk Strategy 2025 (the Strategy), attached at Appendix ii, has been reviewed to ensure it meets requirements and reflects current risks,

legislation, government standards, and the CFEU approach relating to counter fraud activities.

3.3. The Strategy sets out the definitions and motivations for fraud and the principles of risk management. Risk management and being 'risk aware' are vital to ensure the effective operation of the Council.

3.4. The risk of fraud is ever present, and it is impossible to identify or mitigate against all risks, however by being risk aware the Council is in a better position to avoid threats, develop processes that reduce the loss or impact, and increase its ability to recover.

3.5. The Strategy identifies the high-risk areas that Local Government is susceptible to, both internally and externally. It also details the types of response methods and refers to the specific fraud response recommended for Local Government. These principles underpin the Council's Strategy.

3.6. As set out within the Strategy, the CFEU work with Internal Audit to provide resilience and resource in prevention, detection, response and review of detected fraud and fraud risks.

3.7. Referred to when the original Strategy in 2022 was presented, was the Local Government Association Fighting Fraud and Corruption Locally (FFCL) checklist which sets out best practice recommendations. It was agreed that the CFEU would complete this assessment to confirm compliance and identify any areas of non-compliance or improvement.

3.8. Attached at Appendix iii is the Fraud Compliance Report which summarises the activities in fraud risk mitigation that the CFEU has committed to. Work has commenced in relation to the introduction of service specific fraud risk registers with the first being issued to the Revenues and Benefits Team.

3.9. Work has also commenced on registers relating to Procurement, Human Resources (Recruitment) and Housing. The registers consider national and local emerging fraud risks, good practice in processes and procedure, and possible areas of risk mitigation. This element of the CFEU annual work plan will be developed according to priority with higher risk service areas being addressed first.

3.10. Also attached at Appendix iii is the completed FFCL checklist which confirms a significant level of compliance.

3.11. Areas shown as partially or non-compliant will be considered to improve this. In terms of Portfolio Lead updates, it has been suggested that Cabinet Members are briefed to coincide with reports presented to Audit, Compliance and Governance Committee. More targeted communications and updates are

planned for employees and contractors in terms of fraud awareness and whistleblowing.

3.12. A Fraud Response Plan and supporting summary are presented at Appendix iv. This document should provide a quick reference guide for employees, contractors, Councillors, members of the public and third-party organisations regarding the reporting of fraud, theft or corruption. The supporting summary provides an overview of the process and some quick reference 'Do's and Don'ts to ensure early identification, mitigation and to ensure the investigation is not compromised.

3.13. The CFEU work plan for 2024/25 included a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas.

3.14. To support the newly introduced Grant Management Policy, a supporting Grant Management Toolkit detailing fraud risk areas, mitigation and suggestions relating to application drafting and verification activities has been completed and is now available for reference and use by colleagues.

3.15. The CFEU undertook an investigation for the partnership regarding a former employee who held multiple contracts of employment simultaneously. He was found guilty of committing fraud against Tewkesbury Borough Council, South Gloucestershire Council, and Publica Group Ltd.

3.16. The individual failed to disclose his multiple jobs to each organisation when taking up new roles. He submitted false timesheets, misrepresenting the hours worked for each employer, and provided inaccurate information on declaration forms regarding secondary employment. Through these actions, he received salaries and other benefits totaling approximately £236,000.

3.17. On 11 July 2025, following a Crown Court trial, he was found guilty on 9 counts of fraud. He was sentenced on 28 August 2025 to 3 years imprisonment for 3 of the charges and a further 2 years imprisonment to run concurrently, for the other 6 charges. A timetable has been agreed in relation to the financial orders to include Proceeds of Crime proceedings. The matter was reported within the press.

3.18. The investigation informed the decision to focus on the risks relating to polygamous working across the partnership. A fraud risks and mitigations report has been issued to Executive Leadership Team, HR and Governance Officers.

3.19. The report makes 16 recommendations including suggestions for wording in employment contracts, the requirement for employees to regularly sign and agree to Code of Conduct documents, declaration of interest processes and how the Council manages secondary employment permissions and

monitoring.

3.20. Work streams relating to vetting and recruitment risk mitigation, proactive fraud drives to identify secondary employment, and the management of remote working are to be agreed.

3.21. The CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS, the Office of the Police and Crime Commissioner and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud.

3.22. The Gloucestershire MAAF webpage, to be known as Gloucestershire Against Scams Joint Agency Response or 'Glass Jar' is now complete. The launch is planned for November.

4. Alternative options considered

4.1. None.

5. Consultation and feedback

5.1. Work plans are agreed and reviewed regularly with the Director of Finance and Assets and Director of Governance, Housing and Communities.

5.2. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and have been issued to the relevant Senior Officers, Governance Group and Executive Leadership Team for comment.

6. Key risks

6.1. The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.

6.2. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

Report author:

Emma Cathcart, Head of Service Counter Fraud and Enforcement Unit, Emma.Cathcart@cotswold.gov.uk

Appendices:

    i.   Risk Assessment
    ii.   Fraud Risk Strategy 2025
    iii. Fraud Compliance Report and Appendix
    iv. Fraud Response Plan

Background information:

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

● Audit, Compliance and Governance Committee Report September 2022 – Counter Fraud and Enforcement Unit Fraud Risk Strategy.

These documents are available for inspection online at www.cheltenham.gov.uk or by contacting democratic services at democratic.services@cheltenham.gov.uk

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	The authority suffers material loss and reputational damage due to fraud	Executive Director Finance and Assets	3	3	9	Reduce	Maintain a Counter Fraud Team to reduce the likelihood of the risk materialising and also to help recover losses, thus reducing the impact.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing
2	Without dedicated specialist staff in place, the Council may be unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud and error	Executive Director Finance and Assets	3	4	12	Reduce	Retain a specialist Counter Fraud Unit to tackle the misuse of public funds on behalf of the Council.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing

FRAUD RISK STRATEGY

Table of Contents

Introduction

Fraud is the most common and pervasive crime in the UK, costing private companies, individuals, and the public sector many billions of pounds each year. The impact of fraud and related offences can be devastating, ranging from unaffordable personal losses, often suffered by vulnerable victims, to threatening the ability of affected organisations to survive.

Fraud is not an issue that any organisation wants to confront or acknowledge, however, the reality is that most organisations will experience some form fraud. Within Local Government, it is particularly widespread. Global surveys have found that the impact of fraud on government and public administration sectors is second only to the banking and financial services sector.

The Public Sector Fraud Authority (PSFA) estimates that between £39.8 billion and £58.5 billion of public money is lost to fraud and error each year. The National Audit Office (NAO) places the cost to the taxpayer to be even higher, estimating it at between £55bn and £81bn annually. According to the latest figures in the recent Local Government Association endorsed *Fighting Fraud and Corruption Locally Strategy*, the cost of fraud and error against the public sector is estimated to be at least £33 billion per year. During the pandemic alone, additional losses were estimated at around £13 billion. These are significant sums that could otherwise be spent on the provision of public services.

The Councils that make up the Counter Fraud and Enforcement Unit (CFEU) Partnership have a duty to protect public funds from the risk of fraud. While it is impossible to eliminate all fraud, they must maintain a sufficiently robust control framework to mitigate these risks.

Local Authorities are responsible for promoting and developing high standards for countering fraud and corruption within their organisations. This commitment supports good governance and demonstrates effective financial stewardship and strong public financial management. They face significant challenges in mitigating fraud while continuing to deliver frontline services against a backdrop of reduced resource and income streams.

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) creates a new offence: 'Failure to Prevent Fraud'. Under the Act, an organisation may be held criminally liable if 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.

FRAUD RISK STRATEGY

In line with the fraud risk assessment checklists outlined in the *Fighting Fraud and Corruption Locally (FFCL) 2020*[1] strategy and the *Government Functional Standard GovS013: Counter Fraud*[2], this strategy sets out the direction and desired outcomes for the partnership.

A key element of this approach is fostering an anti-fraud culture and implementing practices that support and guide Councillors, employees and contractors in addressing the serious issues of fraud and corruption. This document provides an overview of our policy on the matter and supports the work of the CFEU in preventing, detecting and deterring fraud and corruption.

Key Definitions

Bribery   Bribery is the act of offering, giving, requesting, or agreeing to receive a financial or other advantage, to influence the performance of an individual in a position of authority. It involves an intent to gain an unfair advantage or to induce improper performance of a duty.

Fraud   The term 'fraud' refers to offences contrary to the Fraud Act 2006, which are based on false representation, dishonesty, financial gain or loss, and related offences such as bribery and money laundering. Fraud typically involves the use of deception to dishonestly make a gain and/or cause a loss to another. Fraud can also involve the abuse of a position of trust.

Corruption   Corruption is the abuse of entrusted power for personal gain, often involving dishonest or unethical conduct. It can occur in both public and private sectors and typically includes actions such as bribery, fraud, nepotism or embezzlement.

Why do People Commit Fraud?

Fraud is often appealing due to the perceived 'low risk / high reward' opportunities it presents. It can be committed with relative ease and often from a distance, making it more difficult for both victims and authorities to detect. It is a crime that can be perpetrated by serious organised crime groups operating across international boundaries, but also by otherwise law-abiding individuals seeking opportunistic gain. In the public sector, the absence of a clearly identifiable victim further benefits the fraudster as it depersonalises the impact and reduces the perceived severity of the offence.

The 'fraud triangle' is commonly used to explain the factors that influence an individual's decision to commit fraud. It identifies three components that increase the risk of fraud: opportunity, perceived pressure (incentive), and rationalisation. These elements apply equally

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[1] [Fight Fraud and Corruption Locally](#)

[2] [Government Functional Standard - GovS 013: Counter Fraud](#)

across all sectors/organisations and should always be considered as part of the wider approach to risk management. It is important to recognise that within Local Government, the opportunities and incentives to commit fraud are wide ranging.
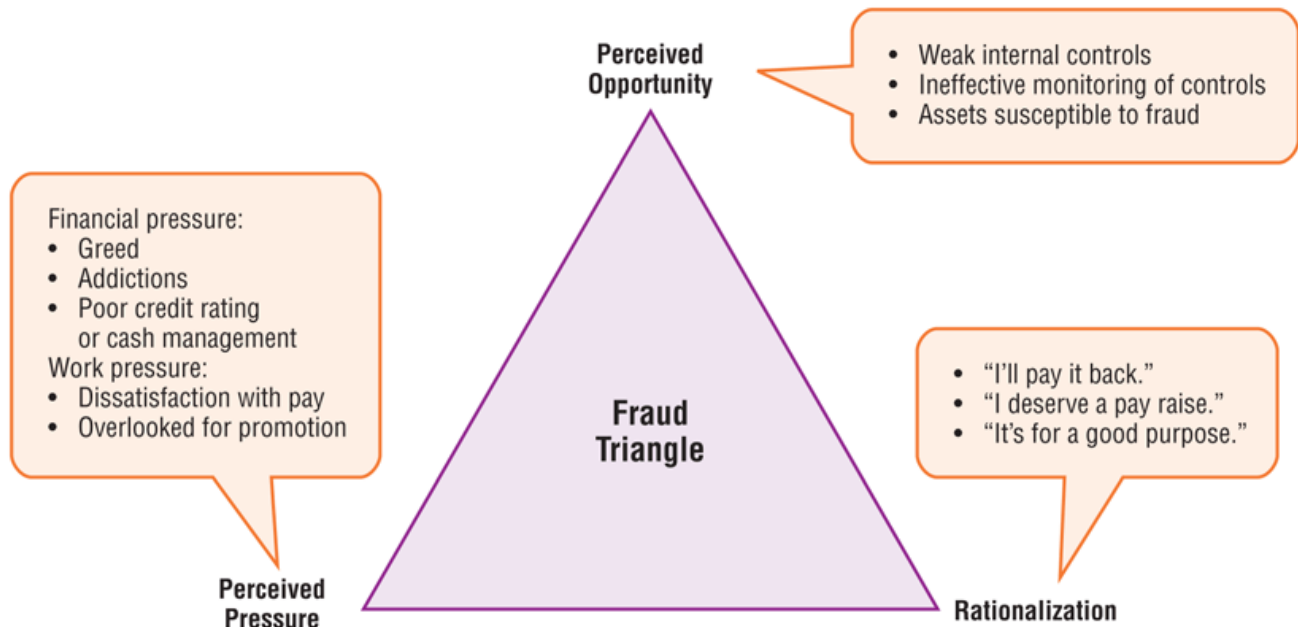
Pressure/Motivation

In simple terms, motivation to commit fraud is often driven by either greed or need, such as personal financial difficulties, rising living costs, debt, or workplace pressure to meet performance targets. While many people may encounter the opportunity to commit fraud, only a small minority choose to act on it.

Personality and temperament, particularly an individual's tolerance for risk and fear of consequences are also factors, even those with strong moral principles can be influenced or coerced by others. Some individuals may only be tempted when faced with severe financial hardship or the threat of ruin.

Opportunity

In terms of opportunity, fraud is more likely to occur in organisations with weak internal controls, poor security, and an absence of policies clearly outlining acceptable behaviours. Research confirms that while some employees are inherently honest and others habitually dishonest, many fall in between and can be influenced by opportunity. The organisational culture, along with the example and behaviours demonstrated by leadership, plays a significant role in shaping perceptions of acceptable conduct and can significantly influence the likelihood of fraud.

Rationalisation

Many people obey the law because they believe in its principles and/or fear being shamed or rejected by those they care about if caught. However, some individuals can rationalise fraudulent behaviour in various ways, including:

- **Necessity** – particularly when the act is perceived to benefit the organisation

- **Harmlessness** – believing the victim is large enough to absorb the loss, or views the organisation as faceless and impersonal

- **Justified** – thinking the victim 'deserved it', or acting out of a sense of being wronged or mistreated

The 'fraud diamond' theory builds on the fraud triangle by adding a fourth component: the perpetrator's **capability** to commit fraud. This could include:

- Position/Role within the organisation

- Intelligence

- Confidence and Ego

- Coercion skills or the ability to lie convincingly

- Immunity to stress or the ability to cope under pressure

Risk Management

Risk Management Cycle

Identifying the Risk - Local Government Fraud Risk Areas

The threat of fraud faced by Local Authorities comes not only from the public (external), who access a wide range of services, but also from employees and contractors (internal) working across various service areas.

Due to the nature of services provided - such as welfare payments, grants, housing, Council tax discounts and exemptions, and business rates - fraud in these areas remains a key focus for ongoing prevention and detection efforts. Below is a list of fraud and corruption types to which Local Authorities are particularly vulnerable:

External Fraud Risk Areas

- **Social Housing Tenancy Fraud** – including false applications, sub-letting for profit, right to buy fraud, property abandonment, and fraudulent allocation.
- **Council Tax Fraud** – misuse of discounts and exemptions, such as the Council Tax Reduction Scheme (CTRS) and single person discount.
- **Business Rates (NNDR) Fraud** – fraudulent applications for reliefs and exemptions.
- **Adult Social Care Fraud** – including care workers claiming for unworked hours or misuse of direct payments.
- **Blue Badge Scheme Abuse** – unauthorised use or misrepresentation to gain parking privileges.
- **Grant Fraud** – false claims or misuse of grant funding.
- **Cybercrime** – phishing emails, viruses, and payment fraud (managed by ICT)
- **Serious and Organised Crime** – including fraud in licensing, contracts, right to buy, 'cuckooing', and online or payment card fraud

Procurement, Purchasing, and Contract Management Fraud

A significant risk area that can involve both internal and external actors is within procurement. Fraud can occur at any stage of the procurement cycle, including tendering, contracting, invoicing, or delivery of services.

Other internal fraud risks within Local Authorities include:

Internal Fraud Risks

- Payroll fraud
- Fraudulent expense and allowance claims
- Bribery, corruption and abuse of position
- Failure to declare conflicts of interest
- Pre-employment fraud – provision of false information
- Misallocation of social housing – favouring friends or family

- Manipulation of benefits, grants or Council tax accounts for personal gain
- Asset Misappropriation – unauthorised use of Council property or resources
- Misuse/Manipulation of Systems – altering records or bypassing controls

Understanding and Assessing the Risk

Once risks have been identified, an assessment of their potential impact and likelihood of occurrence should be made using a consistent criterion. This will enable the development of a prioritised risk analysis framework. The impact assessment should go beyond financial considerations to include effects on the organisation's service delivery, reputation, and the political sensitivities involved.

Risk Response Strategy

Strategies for responding to risk generally fall into one of the following categories:

- **Risk Retention** (e.g. choosing to accept small risks)
- **Risk Avoidance** (e.g. discontinuing use of certain products to eliminate the risk)
- **Risk Reduction** (e.g. implementing controls and procedures to minimise risk)
- **Risk Transfer** (e.g. transferring risk contractually or to insurers)

This strategy, together with the existence of the CFEU, provides assurance that the partnership has an appropriate control framework in place to mitigate the risk of fraud. While it is impossible to eliminate the risk entirely, there are areas where continuous monitoring is required.
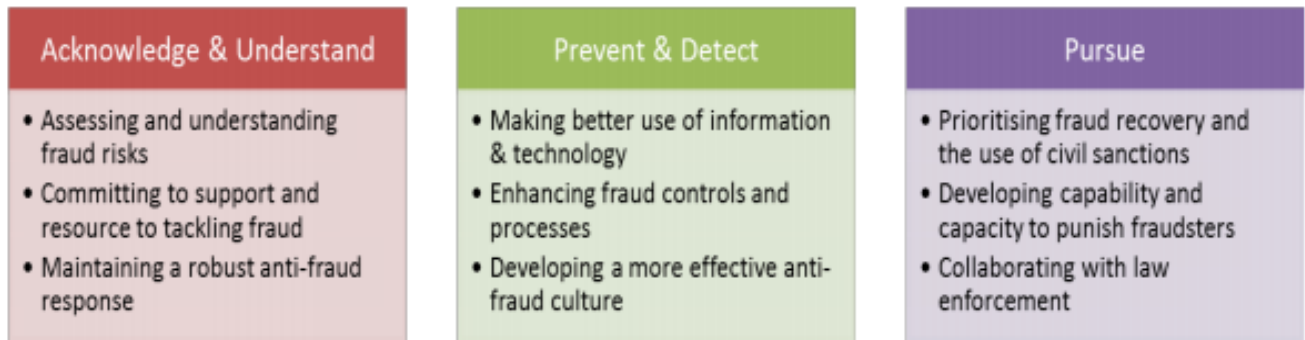
Anti-Fraud Strategy

Approach

The changing context in which Local Government services are delivered (outsourcing and reorganisation), the increasing risk of fraud by motivated offenders, reduced Local Authority resources, and associated changes to existing local control frameworks, together create a pressing need for a consistent and recognised approach to tackling fraud perpetrated against Local Government.

In 2011, the first counter fraud strategy for Local Authorities was produced in the form of the *Fighting Fraud and Corruption Locally* (FFCL) strategy. The strategy was based on the following three principles:

- **Acknowledge** – Recognise and understand fraud risk.
- **Prevent** – Prevent and detect more fraud.
- **Pursue** – Take a robust approach in punishing fraud and recovering of losses.

Acknowledge & Understand	Prevent & Detect	Pursue
• Assessing and understanding fraud risks • Committing to support and resource to tackling fraud • Maintaining a robust anti-fraud response	• Making better use of information & technology • Enhancing fraud controls and processes • Developing a more effective anti-fraud culture	• Prioritising fraud recovery and the use of civil sanctions • Developing capability and capacity to punish fraudsters • Collaborating with law enforcement

Two additional principles have since been introduced:

- **Govern** – Setting the tone from the top and ensuring robust arrangements to ensure that counter-fraud and anti-corruption activities are embedded throughout the organisation.
- **Protect** – Safeguarding against serious and organised crime, preventing individuals from becoming victims, and mitigating against the wider harm that fraud can inflict on the community. For Local Government, this includes protecting public funds, protecting the Local Authority from fraud and cybercrime, and preventing future fraudulent activity.

These principles are underpinned by the following:

Culture	Creating a culture in which beating fraud and corruption is part of daily business
Capability	Ensuring that the range of counter fraud measures deployed is appropriate to the range of risks
Capacity	Deploying the right level of resources to deal with the level of risk
Competence	Having the right skills and standards
Communication	Raising awareness, deterring fraudsters, sharing information, celebrating success
Collaboration	Working across boundaries with other authorities and agencies, sharing resources, skills and learning

The strategy was developed collaboratively by Local Authorities and key stakeholders from across the fraud arena. It was designed to help Local Authorities better understand their fraud risks, support the development and maintenance of a culture in which fraud and corruption are recognised as unacceptable, and to provide a blueprint for a more robust and coordinated response (*CIPFA – The Local Government Counter Fraud and Corruption Strategy*).

In 2022, in response to the significant levels of fraud and error experienced during the pandemic, the Public Sector Fraud Authority (PSFA) was established to develop capability within the public sector to identify and mitigate fraud risk. While the PSFA primarily supports central government, steps are being taken to include and support Local Government counter fraud functions.

The framework for the CFEU's fraud and corruption control plan includes:

- Identifying New and Emerging Risks
- Planning and Resourcing
- Prevention
- Detection
- Response

New and Emerging Risks

The strategy has been designed to acknowledge and respond to the evolving nature of risks within the public sector. Unexpected events, such as pandemics, emergencies and international conflicts, can significantly alter the service delivery landscape and introduce new types and levels of fraud risk, affecting both public sector finances and operational structures.

For example, the Covid-19 pandemic prompted Local Authorities to implement wide scale remote and home-working practices, which increased risks related to cybersecurity and employee's integrity.

More recently, factors such as the cost-of-living crisis, remote working, and the war in Ukraine have contributed to increased risks across the partnership. These include a rise in the number of grant schemes being administered and a growing trend of employees holding multiple contracts of employment.

Emerging technologies, particularly Artificial Intelligence (AI), also present a range of risks across all service areas, including the creation of fraudulent content, the facilitation of scams, and the circumvention of existing security measures. The use of AI technology increases the reach of the fraudster and enables multiple targeting of numerous organisations and applications/systems.

Planning and Resourcing

The CFEU is a corporate resource with annual work plans designed to raise awareness and allocate resources based on identified areas of vulnerability. This approach enables the department to provide both proactive and reactive investigations in the areas deemed high-risk. There is an on-going need to ensure that internal controls remain robust and effective.

Service-specific fraud risk registers are being developed to make fraud risk more relatable and understandable to colleagues, thereby raising awareness and supporting prevention efforts. These registers will also help identify new and emerging risks, which will, in turn, inform the CFEU's annual work activities.

Levels of identified fraud, along with supporting statistics and reliable data, help shape risk management strategies. This information provides evidence for the need for internal controls in high-risk areas, supports cultural change, and informs best practice.

The CFEU submits quarterly reports to corporate management and bi-annual reports directly to Audit Committees, detailing ongoing work streams and outcomes. This ensures Councillors are briefed and remain informed about fraud risks. By maintaining a dedicated team to collect and analyse this data, the partnership is ensuring a comprehensive risk management approach that continuously reviews and strengthens internal controls.

The CFEU also works closely with Internal Audit to identify internal control weaknesses and to ensure that any necessary follow-up actions are reviewed and implemented.

Prevention

Working directly for the Chief Finance Officer (Section 151 Officer), the CFEU is responsible for developing, reviewing, and updating the Counter Fraud and Anti-Corruption Policy, the Whistleblowing Policy, the Proceeds of Crime and Anti-Money Laundering Policy, and all related procedures concerning fraud prevention and criminal investigations.

The CFEU has focused on raising awareness and changing the culture across the partnership through a combination of online training and in-person awareness sessions. The team has worked diligently to educate employees, helping them to better understand fraud risks and how best to mitigate them. Given the scale and diversity of public sector organisations, it is essential that awareness training is relatable to the audience or individual employee to maximise its impact. To support these efforts, CFEU introduced a revised and updated Whistleblowing Policy to complement fraud awareness training and ensure employees feel confident in reporting allegations of wrongdoing.

Annual work plans are developed in consultation with Internal Audit and include proactive fraud initiatives in high-risk areas, deterrent activities, and the allocation of resources for reactive investigations.

As Local Government continues to utilise outsourcing, it is vital that contractors are made aware of the principles outlined in the Whistleblowing, Proceeds of Crime and Anti-Money Laundering, and Counter Fraud and Anti-Corruption Policies. Contractors must also comply with all relevant terms, conditions, and internal procedures, such as declaring conflicts of interest and following proper processes for expense claims.

The partnership is committed to ensuring that modern slavery and human trafficking have no place in its supply chains or in any part of its operations.

Detection

The CFEU is a trained and dedicated resource available to support departments in the following areas:

Internal Reactive Cases: Conducting investigations into allegations of employee or Councillor corruption, fraud or other serious misconduct. This includes preparing cases for prosecution, as well as for disciplinary and standards hearings.

Council Tax Discounts: Assistance with the processing of National Fraud Initiative (NFI) data matches, undertaking targeted fraud drives and reviews, and applying sanctions and penalties where appropriate.

Council Tax Reduction Scheme: Acting as Authorised Officers under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 to investigate fraud, apply criminal sanctions, and work jointly with the Department for Work and Pensions (DWP).

National Non-Domestic Rates: Assistance with proactive reviews of specific exemptions and reliefs and investigating suspected evasion or avoidance.

Procurement: Delivering proactive fraud prevention initiatives in high-risk areas, reviewing processes and documentation to reduce risk and enhance control mechanisms, providing fraud awareness training for relevant officers, and offering guidance on the impact of serious and organised crime and how to implement appropriate controls/safeguards.

Housing Allocation, Housing and Tenancy Frauds: Carrying out regular reviews of housing waiting lists, collaborating with registered social landlords and housing providers, and acting as Authorised Officers under the Prevention of Social Housing Fraud Act. The CFEU also has the capacity to prepare cases for both criminal and civil proceedings.

Annual Work Planning: Focusing on emerging risks, nationally recognised threat areas, and locally identified risks based on demographic trends.

Fraud Risk Registers: Developing and maintaining fraud risk registers for the partnership, as well as for individual service areas. The registers are subject to ongoing review and updated to reflect known and emerging risks.

Response

To support both fraud detection and an appropriate response, the Council's dedicated CFEU is staffed by qualified Investigation Officers, as well as Intelligence and Support Officers, all committed to identifying and addressing internal control weaknesses and pursuing criminal prosecutions where necessary. The CFEU also places a strong focus on the recovery of debt and assets to minimise losses to the public purse.
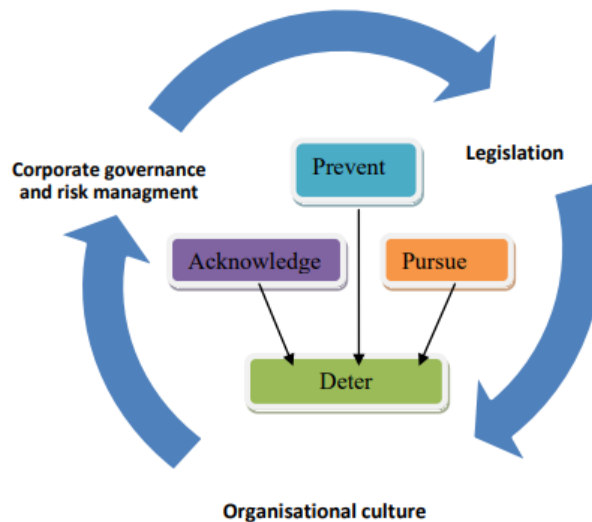
The Council websites include a dedicated counter fraud page, providing information on how to make referrals and an overview of the work undertaken by the CFEU. This page also includes links to the relevant policies adopted by each individual Council.

In addition, the CFEU operates an independent website at www.cfeu.org.uk, which provides detailed information about its services. The site also highlights current fraud trends, victim support resources, and updates on fraud scams across Gloucestershire, helping to raise awareness and support efforts to prevent and disrupt fraud.

The website provides an opportunity to establish a communication platform that is accessible to both residents and employees across the county and beyond. This dedicated webpage will allow the CFEU and its partners to shape fraud-related messaging, offer guidance and advice, and signpost individuals to support services. The site will also serve as an educational tool, helping to inform communities about the evolving nature of fraud threats. By sharing success stories and testimonials, the platform aims to reduce stigma and increase the reporting of fraud.

Internally, departments can refer cases directly to the CFEU, including making referrals in confidence where necessary. In the case of sensitive whistleblowing referrals, the CFEU can conduct fully confidential investigations with limited notification.

The CFEU works across its partner organisations and the wider criminal enforcement community to share best practice, build knowledge, and strengthen fraud detection and prevention. Where appropriate, the CFEU will refer matters to the police or agency with relevant jurisdiction.

To ensure continued awareness of fraud risks, the CFEU provides regular training to employees and Councillors, reports on successful court outcomes in the media, and shares positive results with internal teams.

Review

Following any proactive initiative or fraud investigation, the work is subject to review and management oversight. Local Authorities have both internal and external audit functions which also play a key role in fraud prevention. The audit functions enable the organisation to adapt to an evolving risk environment and continuously monitor, identify and address any deficiencies.

The CFEU and Internal Audit meet quarterly to discuss areas of low assurance and emerging fraud risks, which can then be incorporated into future work plans. Where an investigation has taken place, any identified risks or weaknesses in controls are highlighted. The CFEU provides a report to the relevant manager, outlining findings and offering recommendations where areas of concern are identified. Internal Audit may also review these recommendations and determine whether a follow-up audit is required. In addition, when fraud is identified during any audit work, a referral is made to the CFEU.

Policies are reviewed regularly to ensure they are relevant, aligned with current best practices, and compliant with up-to-date legislation. Any training required because of policy updates is then delivered accordingly.

Service-specific risk registers will be reviewed regularly in collaboration with the relevant service area manager, while the CFEU's annual work plans are overseen by corporate management.

FRAUD COMPLIANCE REPORT

Introduction

The Counter Fraud and Enforcement Unit (CFEU) Fraud Risk Strategy was adopted by the partner Councils in 2022. As part of this strategy, the CFEU has committed to assessing the Councils' compliance with the fraud risk assessment checklists outlined in the Fighting Fraud and Corruption Locally (FFCL) 2020[1] strategy and the Government Functional Standard for Counter Fraud (GovS013)[2].

Another objective is the development of organisational and service-specific fraud risk registers. Widely recognised as a key component of a robust governance framework, the registers will help the organisation better understand its vulnerabilities to fraud and error, the likelihood of such fraud being realised, and the potential impact on the organisation. By identifying these vulnerabilities, the Councils can implement effective controls and allocate resources to prevent fraud or mitigate its likelihood and impact should it occur.

Fraud Risk

Fraud risk can be defined as a 'situation in which a Local Authority is exposed to the potential for financial loss due to wrongful or criminal deception'. Identifying fraud risk is essential for understanding specific vulnerabilities, evolving patterns in fraud and corruption threats, and the potential consequences for the Councils. While intent (dishonesty) is a key factor in determining fraud, it may not always be evident or possible to prove. To protect public funds, the Council considers the risk of error alongside the risk of fraud during the fraud risk assessment process. Therefore, references to fraud risk should also encompass the risk of error, which accounts for losses where there is insufficient evidence to establish intent.

Fraud Risk Assessment

The purpose of a fraud risk assessment is to proactively identify an organisation's vulnerabilities to fraud from both internal and external perpetrators. Each fraud or loss scenario is evaluated against the likelihood of its occurrence and the potential impact on the organisation in the absence of any controls (inherent risk). Internal controls are then implemented to eliminate the organisation's vulnerabilities to fraud and error. Where vulnerabilities cannot be eliminated, control measures should aim to mitigate the likelihood of fraud occurring and its impact on the organisation to an acceptable level of tolerance (residual risk). The process can be broken down into the following four risk steps:

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[1] Fight Fraud and Corruption Locally

[2] Gov S013 - Counter Fraud

Identification: Research, identify, and record known and potential/hypothetical fraud risks.

Analysis: Assess the level and likelihood of risk occurrence.

Evaluation: Evaluate potential consequences, outcomes, and exposure to inherent risks.

Response: Implement controls or mitigation strategies for identified risks and evaluate residual risk.

Accurately assessing risk is a professional exercise that demands knowledge of fraud methods and risk management processes. Risk identification is a creative process that requires a mindset oriented toward defrauding the system. Therefore, it is crucial that fraud risk assessments involve engagement and collaboration among counter-fraud professionals, internal audit teams, and representatives from various service areas, all of whom should have a thorough understanding of their processes and systems. Risk assessment exercises should be conducted regularly and viewed as an ongoing process rather than a one-time task. This approach ensures that new and emerging risks, as well as changes in the risk levels of known risks, are identified, assessed, and reflected in the risk register accordingly.

A 5x5 heat map matrix is used to assess fraud risk based on both likelihood and impact. Values ranging from 1 to 5 are assigned to the likelihood of the inherent risk being realised and the perceived impact on the organisation should the fraud or error occur. The risk score is calculated by multiplying these values (impact x likelihood), which determines the priority for addressing the risk within the organisation. Government professional standards recommend at least four response levels for the process to be effective. It is essential to agree on impact definitions and to subdivide actions and responses within the risk rating categories where necessary. For example, the response for risk ratings of 16 to 20 will differ from that for a rating of 25.

Heat Map Matrix

Risk Rating	Value
Immediate Priority	16 - 25
High Priority	12 - 15
Medium Priority	5 - 8
Low Priority	1 - 4

Impact			Risk				
	Critical	5	5	10	15	20	25
	Severe	4	4	8	12	16	20
	Major	3	3	6	9	12	15
	Moderate	2	2	4	6	8	10
	Minor	1	1	2	3	4	5
			1 Very low	2 low	3 Medium	4 High	5 Very High
			Likelihood				

Fraud Risk Register

The fraud risk registers provide a comprehensive overview of all known fraud risks to the organisation and the controls in place to mitigate those threats. It is a live document, subject to ongoing review by the CFEU in collaboration with relevant lead officers / heads of service. The register enables service areas and managers to monitor and understand known fraud risks and vulnerabilities within their domains, guiding future audit and counter-fraud efforts to enhance fraud prevention measures. The register will:

- Satisfy a key principle outlined in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption[3].
- Ensure compliance with counter-fraud best practices as specified in the FFCL and GovS013.
- Complement and support the positive counter-fraud initiatives already implemented across the Councils.

Compliance with Fighting Fraud and Corruption Locally (FFCL) Strategy and Government Standard (GovS013)

The FFCL serves as the counter-fraud and corruption strategy for local government, while GovS013 outlines the central government standard for managing fraud, bribery, and corruption risks, both the FFCL and GovS013 include an organisational-level fraud risk

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[3] CIPFA Code of practice on managing the risk of fraud and corruption

assessment/checklist. The Councils have used the FFCL checklist to evaluate their compliance with the best practice and guidelines established by local government and counter fraud experts. The table at Appendix 1 details the Council's current compliance status with the FFCL strategy, categorised as compliant, partially compliant, or non-compliant, with the recommendations outlined in the FFCL. Justifications for the assigned compliance scores are included, along with the Council's plans to achieve full compliance.

The GovS013 basic organisational checklist is not included because its requirements are either specifically targeted at central government or are already comprehensively covered in the FFCL checklist. However, the CFEU plans to conduct a broader review of the GovS013 checklist to assess its compliance with central government requirements as part of its application to become an accredited member of the Public Sector Fraud Authority[4].

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[4] Public Sector Fraud Authority

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COUNTER FRAUD AND ENFORCEMENT UNIT

Fighting Fraud and Corruption Locally - Checklist

Appendix 1

<table>
<tr><td colspan="3">Senior Stakeholder Responsibilities</td></tr>
<tr><td>The Chief Executive</td><td>Compliance</td><td>Comments</td></tr>
<tr><td>Ensure that your authority is measuring itself against the checklist for FFCL.</td><td>Compliant</td><td>The Counter Fraud and Enforcement Unit (CFEU) is committed to conducting an annual review of the checklist, in collaboration with senior stakeholders and Council leadership teams. The Head of Service (HoS) for CFEU reports directly to the Section 151 Officer, with regular updates provided to the Chief Executive on key risks and ongoing work streams.</td></tr>
<tr><td>Is there a trained counter fraud resource in your organisation or do you have access to one?</td><td>Compliant</td><td>The CFEU is a dedicated, standalone service responsible for countering fraud across the organisation. Its remit includes identifying and assessing fraud risks, preventing and detecting fraudulent activities, and pursuing recovery and enforcement actions.</td></tr>
<tr><td>Is the audit committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this?</td><td>Compliant</td><td>Audit committee receive biannual reports directly from the CFEU regarding the service area's activities and delivery. The external auditor is provided with access to these reports and as well as attending the same committee/governance meetings.</td></tr>
<tr><td>The Section 151 Officer</td><td>Compliance</td><td>Comments</td></tr>
<tr><td>Is there a portfolio holder who has fraud within their remit?</td><td>Compliant</td><td>Fraud falls within the remit of all portfolios, although it may not always be explicitly stated, as it is typically covered under finance or governance. This is an area that may require review to enhance accountability, knowledge, and reporting lines.</td></tr>
<tr><td>Is the head of counter fraud assessing resources and capability?</td><td>Compliant</td><td>The CFEU HoS regularly reviews resource allocation and capability. The Partnership Board (comprising the Section 151 Officers from each partner council) receives biannual updates on resourcing and capability, enabling informed decisions on service delivery and budget planning.</td></tr>
<tr><td>Do they have sufficient internal unfettered access?</td><td>Compliant</td><td>Where there is a legitimate concern or requirement, access is both sufficient and unrestricted.</td></tr>
<tr><td>Do they produce a report on activity, success and future plans and are they measured on this?</td><td>Compliant</td><td>Annual work plans are updated quarterly and submitted to the Section 151 Officer for review. The CFEU work plans are also shared with Internal Audit for discussion of any areas of concern that may need to be included in the internal audit plan. Any specific fraud risks or internal control issues identified through activities are promptly raised, with reports submitted to the relevant senior manager.</td></tr>
<tr><td>The Monitoring officer</td><td>Compliance</td><td>Comments</td></tr>
<tr><td>Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?</td><td>Compliant</td><td>A detailed report is presented to the Audit Committee concerning counter fraud activity and the CFEU provides training as part of Member induction for all councillors.</td></tr>
<tr><td>Is the fraud team independent of process and does it produce reports to relevant committees that are scrutinised by members?</td><td>Compliant</td><td>The CFEU is a standalone support service that reports directly to the Section 151 Officer. Regular reports are submitted to the Audit Committee for scrutiny by Members.</td></tr>
</table>

Fighting Fraud and Corruption Locally - Checklist

Senior Stakeholder Responsibilities		
The Audit Committee	**Compliance**	**Comments**
Should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.	Compliant	The CFEU carry out proactive work in several areas to detect fraud and anomalies and provide assurance. All partner councils receive two detailed reports annually, which include key insights and updates on fraud detection, prevention activities, and outcomes.
Should receive a report from the fraud leads on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured.	Partially Compliant	The recent introduction of the Counter Fraud Partnership Risk Strategy has outlined a clear commitment to developing service-specific fraud risk registers. These registers are designed to more effectively identify, assess, and mitigate fraud risks across all areas of service delivery, ensuring a comprehensive approach to fraud management.
Should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud.	Compliant	The CFEU is not explicitly assigned to a specific portfolio at the partner councils. However, Cabinet Members and Audit Committee Members are kept fully informed through comprehensive biannual committee reports.
Should support proactive counter fraud activity.	Compliant	Audit Committee Members are fully supportive of the CFEU, recognising its role in delivering a wide range of activities, including proactive, reactive, and strategic fraud prevention.
Should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.	Compliant	The robust reporting requirements of the CFEU ensure Members are consistently well-informed and equipped to challenge activities when necessary. The HoS provides regular updates to Members on emerging fraud risks, along with the strategies in place to mitigate those risks.
The Portfolio Lead	**Compliance**	**Comments**
Receives a regular report that includes information, progress and barriers on the assessment against the FFCL checklist Fraud risk assessment and horizon scanning.	Partially Compliant	This is an area that may benefit from further consideration, considering the existing arrangements and their effectiveness.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The Local Authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior board and its members.	Compliant	Work plans are developed in collaboration with individual councils to include targeted proactive fraud initiatives in high-risk areas, deterrent activities, and the necessary resources for reactive case investigations. These plans ensure a comprehensive approach to tackling fraud, balancing prevention, deterrence, and effective response. The CFEU HoS meets regularly with the S151 Officer at each partner Council to report on activities.
The Local Authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	Partially Compliant	This area presents an opportunity for expansion, enabling the CFEU to adopt a more proactive approach in identifying and mitigating emerging threats, allowing for a better balance with reactive investigations.
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 checklist.	Partially Compliant	Audit Committees receive direct reports from the CFEU during the year outlining all activities and work streams. The Fraud Risk Strategy was also presented to Audit Committees. This referenced the FFCL checklist, and a summary of the checklist and associated compliance report will be reported in due course.
The relevant portfolio holder has been briefed on the fraud risks and mitigation.	Partially Compliant	This is an area that warrants further consideration, taking into account the existing arrangements and their effectiveness. The proposed fraud risk register will identify any gaps or areas for improvement, ensuring that current measures are fully aligned with best practice.
The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	Compliant	Audit Committee support the CFEU. Due to the transparency of the CFEU's governance arrangements and reporting requirements, Members are well informed and able to challenge activity if necessary. The CFEU HoS updates members on emerging risks and mitigation.
There is a counter fraud and corruption strategy applying to all aspects of the Local Authority's business which has been communicated throughout the Local Authority and acknowledged by those charged with governance.	Compliant	The CFEU has developed a fraud risk strategy in alignment with the Government Functional Standard GovS013: Counter Fraud. The strategy sets clear direction and the desired outcomes for the partnership, with a strong emphasis on fostering an anti-fraud culture. It provides guidance to both members and staff on addressing the serious issues of fraud and corruption, ensuring a consistent approach across the partnership. As part of this strategy, a workstream has been initiated to expand governance and assurance activities. This includes the development of Service-Specific Fraud Risk Registers, categorised into high and low-risk service areas. These registers will be reviewed and updated annually to identify new and emerging risks, as well as areas requiring additional resources. The insights gained will directly inform the CFEU's annual work plans, which together constitute the CFEU fraud response plan.
The Local Authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	Compliant	The CFEU plays a key role in ensuring compliance with the Local Authority's arrangements, promoting probity and propriety in all aspects of its business operations.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The risks of fraud and corruption are specifically considered in the Local Authority's overall risk management process.	Partially Compliant	This is an area for expansion. The CFEU attends corporate governance groups across the partnership, ensuring that key governance officers consider the risks associated with fraud and corruption. Through the creation and implementation of service-specific fraud risk registers, there will be an increase in overall awareness of fraud risks and a greater focus on effective fraud risk management across the partnership.
Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	Partially Compliant	This is an area for improvement to ensure counter fraud staff are consistently involved in fraud-proofing new policies, strategies, and initiatives.
Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Compliant	Successful cases of proven fraud, corruption, and other enforcement activity are regularly highlighted in audit committee reports and publicised through press releases. These communications serve to raise awareness and act as a deterrent to potential offenders, as well as keeping the public informed as to the Council's counter fraud and wider enforcement activity.
The Local Authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	Compliant	The CFEU serves as an in-house support service, delivering a range of preventative activities, proactive initiatives, and reactive investigations. While certain activities are standardised to maximise resource efficiency, the work plans consider the District / Borough demographic and the specific priorities of each council. Regular updates on the effectiveness of these arrangements are provided through committee reports.
The Local Authority has put in place arrangements for monitoring compliance with standards of conduct across the Local Authority covering: 1. Codes of Conduct including behaviour for counter fraud, anti-bribery and corruption. 2. Register of Interests. 3. Register of Gifts and Hospitality.	Compliant	The CFEU HoS regularly attends these meetings. The CFEU HoS is a member of each partner Councils' Corporate Governance Group. This group have responsibility for Gifts and Hospitality, Codes of Conduct and Register of Interests. The process and associated documents are reviewed by the Group with due consideration to fraud ris
The Local Authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	Partially Compliant	This is an area that requirements further development for 2025/2026. The aim is to enhance recruitment procedures/process by ensuring appropriate measures are in place prevent the appointment of potentially dishonest employees.
Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	Compliant	Members and staff are fully aware of their obligations to make appropriate disclosures regarding gifts, hospitality, and business interests. Clear reporting procedures have been established to outline the necessary disclosures, and these are regularly reviewed at governance groups to ensure compliance. Auditors check these disclosures, and any relevant findings are reported to the committee.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	Partially Compliant	The CFEU supports all service areas and staff across the Councils. Reminders regarding areas of risk and whistleblowing are issued to all staff on an annual basis. Whilst there is a programme of fraud awareness training, this is under review and could be improved.
There is an independent and up-to-date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	Compliant	The CFEU is responsible for overseeing the whistleblowing policy across the partnership, ensuring it remains independent, up-to-date, and fully aligned with best practices. To promote awareness and encourage use, internal communications are issued to staff, highlighting the importance of the policy and how to report concerns.
Contractors and third parties sign up to the whistleblowing policy. There should be no discrimination against whistleblowers.	Not Compliant	Area to be reviewed 2025/2026.
Fraud resources are assessed proportionately to the risk the LA faces and are adequately resourced	Compliant	Resource is continually reviewed by the HoS to ensure it is proportionate to the risks faced by the Local Authority. Adjustments are made as necessary to ensure the fraud response remains robust and effective. As previously noted, the work plans and resources are tailored to reflect the unique needs and priorities of the partnership.
There is an annual fraud plan agreed by committee. It reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the LA's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	Compliant	Work plans are developed with individual Councils to include proactive fraud drives in high-risk areas, deterrent activity and the resource for reactive case investigation work. This is reported to committee and Members can request areas for inclusion on the work plan.
Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	Compliant	The CFEU maintains comprehensive statistics on case outcomes, which are reported quarterly through Audit Committee and Partnership Board reports. In addition, detailed results are provided separately to the Section 151 Officer. By recording this data, the partnership is ensuring a well-rounded risk management approach that is working to continuously review and improve internal controls.
Fraud officers have unfettered access to premises and documents for the purposes of investigation.	Compliant	Officers have access to premises and documentation as required.
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	Compliant	Successful outcomes are endorsed by the Council's communications team and publicised via the Council's website.
All allegations of fraud and corruption are risk assessed.	Compliant	All allegations of fraud and corruption are thoroughly assessed to determine the appropriate course of action. Each referral is triaged by a CFEU officer, who conducts an initial assessment to prioritise cases based on their severity and potential impact. This ensures that resources are allocated effectively, and high-risk cases are addressed promptly.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The fraud and corruption response plan covers all areas of counter fraud work: prevention, detection, investigation, sanctions and redress.	Compliant	The fraud and corruption response plan comprehensively covers the key areas of counter fraud work. The plan is detailed in Council's Counter Fraud and Anti-Corruption Policy, as well as the Fraud Risk Strategy.
The fraud response plan is linked to the audit plan and is communicated to senior management and members.	Compliant	The CFEU HoS meets quarterly with Internal Audit to review ongoing activities, assess emerging risks, and discuss the effectiveness of internal controls. Both the HoS CFEU and the head of Internal Audit communicate directly with senior management and members, ensuring that key updates, risks, and actions are consistently communicated.
Asset recovery and civil recovery are considered in all cases.	Compliant	Asset recovery and civil recovery are considered in all cases where the authority has the necessary legal powers to pursue such actions.
There is a zero-tolerance approach to fraud and corruption that is defined, monitored and reported to committee.	Compliant	The council has a clear zero-tolerance approach to fraud and corruption which is defined in the counter fraud and anti-corruption policy. This approach is upheld across all levels of the organisation, with any instances of fraud or corruption thoroughly investigated and reported on at the appropriate time.
There is a programme of proactive counter fraud work which covers risks identified in assessment.	Compliant	The CFEU carry out proactive work in several areas to detect fraud and anomalies and provide assurance. Areas of proactive work are detailed in the CFEU work plans.
The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	Compliant	The CFEU team adopts a multi-agency approach and actively engages with external partners. A key member of the Gloucestershire's Multi-Agency Approach to Fraud (MAAF) Group, the CFEU collaborates with Gloucestershire Constabulary, Trading Standards, Victim Support, and the NHS to collectively reduce and disrupt fraud across the county. Working closely with these partners and the wider criminal enforcement community facilitates the exchange of best practices and expertise, strengthening the CFEU's capacity to prevent fraud and respond to emerging fraud threats.
The Local Authority shares data across its own departments and between other enforcement agencies.	Compliant	Data is shared across departments and with other enforcement agencies in accordance with established data sharing agreements, ensuring full compliance with GDPR.
Prevention measures and projects are undertaken using data analytics where possible.	Not Compliant	The CFEU does not currently utilise data analytics due to concerns around cost and its overall effectiveness. However, this decision is regularly reviewed to assess the balance between available resources, budget constraints, and the necessity of implementing such tools for enhanced fraud detection.
The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	Compliant	The CFEU is registered with the Knowledge Hub, granting access to a wide range of valuable resources, including directories and other specialised tools. The CFEU is also seeking to be accredited by the Public Sector Fraud Authority (PSFA) which would allow access to central government training resource.
The counter fraud team has access to the FFCL regional network.	Compliant	The CFEU has access to the FFCL regional network, enabling collaboration and knowledge sharing with other counter fraud professionals. The CFEU also has close links with other counter fraud shared services which enhance the overall approach to fraud prevention and detection through collaboration and sharing insight.

Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	Compliant	All CFEU officers hold Accredited Counter Fraud Specialist (ACFS) or Accredited Counter Fraud Technician (ACFT) qualifications, ensuring they possess the necessary expertise required to effectively manage counter fraud activities. Investigation and Enforcement Officers are required to background in investigations prior to joining the CFEU. Beyond these qualifications, staff engage in continuous professional development, receiving ongoing training to enhance their skills and stay current with changes in legislation, investigatory techniques, and best practice.
The counter fraud team has adequate knowledge in all areas of the Local Authority or is trained in these areas.	Compliant	The CFEU team possesses a good knowledge across the different service areas of the Local Authority. Knowledge is further enhanced through regular collaboration with various the departments.
The counter fraud team has access (through partnership/ other Local Authorities/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recovery and financial investigations.	Compliant	The CFEU has a Memorandum of Understanding (MOU) with Gloucestershire County Council Trading Standards to provide specialist support for financial investigations. The CFEU has responsibility for surveillance (RIPA) policies, procedures and activities across the partnership. Additionally, the team maintains links with the police and other relevant agencies for assistance in the execution of warrants and asset and/or the seizure of evidence.
Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud-proof systems.	Compliant	Areas of weakness identified by instances of fraud and corruption are reported back to the relevant department through a detailed management report. This feedback process enables the identification of vulnerabilities and ensures that effective mitigation measures are implemented to strengthen controls and prevent future occurrences

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FRAUD RESPONSE PLAN 2025

Introduction

The Councils that form the Counter Fraud and Enforcement Unit (CFEU) Partnership are committed to the highest standards of openness, probity, and accountability in their affairs. Where fraud or corruption is suspected, the Councils will treat the allegations with the utmost seriousness.

The Counter Fraud and Anti-Corruption Policy, Fraud Risk Strategy and Whistleblowing Policy demonstrate the Council's commitment to a zero-tolerance approach to fraud and corruption, from both internal and external sources. These documents outline the Council's commitment to prevention, deterrence, detection, investigation and redress. The Fraud Response Plan supports these by providing clear guidance to employees, Councillors, and members of the public on how to report concerns they may have regarding suspected fraud and corruption and outlines how such allegations will be handled.

Adhering to this plan ensures timely and effective action is taken to safeguard public funds, recover losses, identify offenders, and secure the evidence required for any civil, criminal, or disciplinary proceedings.

Councillors and employees play a vital role in creating and maintaining a culture of zero tolerance towards fraud and corruption. They are actively encouraged to raise concerns regarding wrongdoing in the knowledge that such concerns will be taken seriously and, wherever possible, remain confidential.

Aims and Objectives

The aim of the Fraud Response Plan is to outline a clear framework for responding to suspect fraud. Its objectives are to:

- Identify the procedure for reporting allegations of fraud, corruption, and misconduct.
- Minimise the risk of inappropriate actions or disclosures that could compromise an investigation.
- Ensure there is a clear understanding over who will lead any investigation and to ensure the appropriate response.
- Secure and preserve evidence for disciplinary, civil and/or criminal proceedings.
- Identify perpetrators and take timely, appropriate action, including disciplinary, civil and/or criminal action.
- Prevent further losses of funds or assets where fraud has occurred and maximise the Council's ability to recover losses.
- Mitigate any reputational damage to the Council.

Notifying Suspected Fraud / Whistleblowing

All employees, Councillors and contractors are encouraged to report any concerns or suspicions they may have. Early reporting increases the likelihood of a successful investigation and helps prevent loss or further losses to the Council.

Employees, in particular, play a critical role in the Council's efforts to detect and prevent fraud and corruption, as they are often the first to notice or suspect wrongdoing within the organisation. Concerns may relate to the conduct or behaviour of fellow employees, Councillors, partner organisations, or contractors.

However, individuals may hesitate to speak up due to fear of reprisal, harassment, or other forms of victimisation in the workplace. It is therefore essential that all employees feel safe and supported in reporting concerns, understand the reporting process, and can do so without fear of retaliation.

Whistleblowing refers to the act of passing on information concerning wrongdoing – see the Council's Whistleblowing Policy for further information.

Reporting by Employees, Councillors, Members of the Public and Third-Party Organisations

Any suspicion of fraud, theft, or corruption should be reported as a matter of urgency to the CFEU and/or the Chief Finance Officer. If this is not possible, concerns can be reported to the Chief Executive, Monitoring Officer, or a member of the Corporate Management/Leadership Team.

To support the early identification and mitigation of fraud and corruption risks, a Fraud Response Plan flowchart and a quick guide to dos and don'ts are included at the end of this document. It outlines the referral process and provides guidance on actions that should and should not be taken.

Employees and Councillors

At the earliest opportunity, employees and Councillors should:

- Make a detailed record of all activities/actions that have been witnessed, or any circumstances that have led to their suspicion.
- Retain all information received, either personally or through others, that contributed to the suspicion.
- The officer receiving the initial disclosure or referral should make a detailed record of the suspicion or complaint and advise the reporting individual to preserve and securely store all relevant documentation and evidence.

- Gather as much information as possible from the reporting individual, including any notes or evidence they possess that may support the allegation. Do not interfere with any evidence and ensure it is stored safely.

Members of the Public and Third-Party Organisations

The Council encourages members of the public and other external agencies to report any suspicions of fraud or corruption to the Council via the CFEU. Reporting instructions are available on the Council's website or via the fraud hotline: 01242 264215.

Anonymous reports are accepted; however, providing details is encouraged, as anonymous concerns are often more challenging to investigate effectively.

Counter Fraud and Enforcement Unit

The CFEU has trained fraud investigators who act impartially and in accordance with applicable laws, policies, and procedures when conducting disciplinary and criminal investigations. The CFEU collects information on all suspected cases of fraud, theft, or corruption along with their outcomes, across the Council. This information contributes to assessing the effectiveness of the Council's Fraud Risk Strategy and internal control systems, forming a key element of the Council's assurance framework.

It is the responsibility of the CFEU Head of Service, supported by Internal Audit, to keep the Council's Chief Finance Officer informed of any suspicions of fraud or corruption.   Where an allegation involves an employee, Human Resources (HR) will be notified, and the matter will be dealt with in accordance with the Council's Disciplinary Policies and Procedures.

The Investigation Process

Fraud committed against the Council will be investigated by the CFEU. Where appropriate, investigations may be conducted in collaboration with other investigatory agencies such as the Police, Department for Work and Pensions (DWP), Home Office, Her Majesty's Revenue and Customs (HMRC), UK Borders Agency, and other Local Authorities.

Investigations into suspected fraud or corruption will be carried out in accordance with the relevant statutory provisions, guidance, codes of practice and local protocols, ensuring that all investigatory actions are lawful and conducted fairly. This includes, but is not limited to:

- Police and Criminal Evidence Act 1984 (PACE)
- Criminal Procedure and Investigations Act 1996 (CPIA)
- Human Rights Act 1998
- Regulation of Investigatory Powers Act 2000 (RIPA)
- Investigatory Powers Act 2016
- Data Protection Act 1998 / GDPR

If sufficient evidence is established, the case will be reviewed to determine the appropriate course of action. The Council's Counter Fraud and Anti-Corruption Policy provides further guidance on actions that will be considered.

The Council will take appropriate steps, including legal action where necessary, to recover any losses arising from fraud, theft, corruption, or misconduct. This may include action against third parties involved in the fraud, or whose negligent conduct contributed to it.

The CFEU will also prepare an internal Management Report, providing recommendations to address any identified weaknesses in internal controls, with the aim of preventing recurrence. All details of any investigation are strictly confidential and must not be discussed or disclosed to anyone outside the reporting and investigation process.

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FRAUD RESPO Page 75 – SUMMARY

Fraud concern identified by a staff member / Councillor

Members of the public can report fraud via the Council's website

Reporting Options

Preferred: CFEU or CFO

Other Routes: Internal Audit or Corporate Management

Alternative Routes: Line Manager (staff) or Democratic Services (Cllrs)

Report recipient to share allegation with CFEU

Internal fraud concern

External fraud concern

CFEU to consult with CFO, HR and relevant service manager as appropriate

CFEU assess whether to share with external enforcement bodies e.g. DWP, Police as appropriate

Appropriate for investigation?

No - CFEU record referral, close with appropriate actions

Yes

CFEU commence investigation

Evidence of fraud?

Evidence of misconduct?

Yes

No

Yes

No

Record referral, investigation and close with appropriate actions

Record and close

Criminal investigation

Prosecution / Sanction / Recovery

Publicity

Report to HR / Service Manager to consider internal disciplinary policy and processes

If you suspect fraud or corruption, the most important thing to remember is – REPORT IT

COUNTER FRAUD AND ENFORCEMENT UNIT

Do

- **Report your concerns promptly**
  - Where possible, report directly to the CFEU or the Chief Finance Officer.

- **Document your concerns**
  - Clearly record the nature of your concerns. Include all relevant details, such as dates, conversations, and any notable comments or actions in meetings.
  - Note the names and, if known, the positions of those involved.
  - Your notes should be timed, signed, dated, and kept in a secure place.
  - Timeliness is critical. Delays in documenting concerns increase the of distorted recollections and may weaken the case.

- **Retain any evidence**
  - Keep all relevant records and evidence in a secure and confidential location.

- **Reporting by members of the public**
  - Members of the public can report concerns to the CFEU via the Council's website.

Don't

- **Be afraid to raise your concerns**
  - The Public Interest Disclosure Act provides protects staff who raise reasonably held concerns through the appropriate channels.
  - The Whistleblowing Policy provides guidance on how to make whistleblowing referrals.
  - You will not face discrimination or victimisation for following these procedures. All matters will be handled sensitively and confidentially.

- **Discuss your concerns with anyone other than authorised individuals**
  - There may be a reasonable explanation for the events that have raised your suspicions. Spreading concerns unnecessarily can harm innocent people and damage the Council's reputation.

- **Approach the person you suspect, or attempt to investigate the matter yourself**
  - Specific rules govern the collection of evidence for use in criminal cases. Attempts to gather evidence by individuals who are unfamiliar with these rules may compromise the ability to take appropriate action.
  - Do not interfere with or alter any documentary or computer-based evidence.
  - Do not attempt to interview or question anyone unless you are authorised to do so.

If you suspect fraud or corruption, the most important thing to remember is – REPORT IT

COUNTER FRAUD AND ENFORCEMENT UNIT

Briefing Note

Committee name: Audit, Compliance and Governance Committee
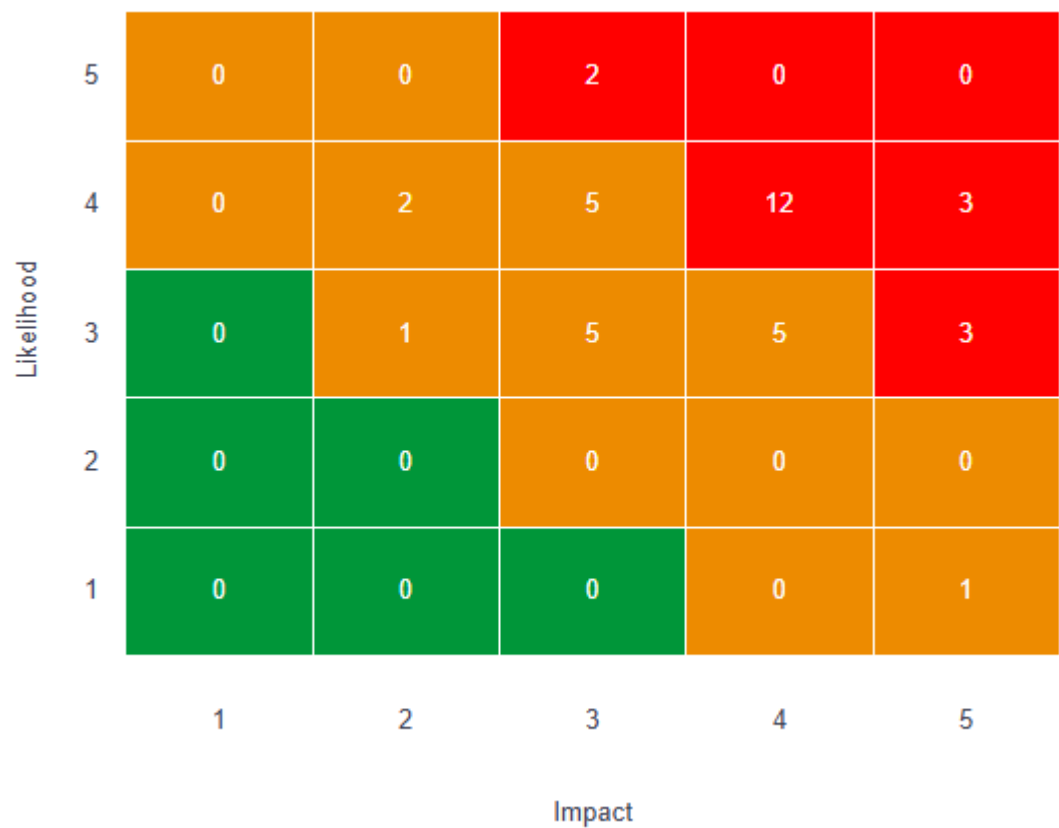
Date: 22/10/2025

Responsible officer: Victoria Bishop – Head of Governance, Risk and Assurance

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Cheltenham Borough Council corporate risk register

There are currently 39 risks on the corporate risk register.

The below matrix shows the breakdown of current risk scores:

Likelihood	1	2	3	4	5
5	0	0	2	0	0
4	0	2	5	12	3
3	0	1	5	5	3
2	0	0	0	0	0
1	0	0	0	0	1

Impact

In summary:
- Four risks were added this quarter
- Seven were closed and archived
- 29 risks had no change since the last assessment
- Two risks reduced since their last assessment
- No risks increased

New risks:
Four risks were added to the corporate risk register this quarter:

1. Private Sector Housing (resourcing) - If CBC does not, or cannot, adequately resource its private sector housing work, then the authority will be unable to meet its statutory obligations and duties.
    a. Raw risk score – 16
    b. Current risk score – 16

2. People resource, LGR and financial provision - If we do not make an adequate provision in our financial plan for additional people resources over the next few years then we may not be able to deliver business as usual
    a. Raw risk score - 20
    b. Current risk score – 16

Two of those added were confidential risks and so cannot be shared in a public forum.

Closed risks
Seven risks were closed, archived and are being appropriately managed on their service level risk registers:

1. Failure to support nature and biodiversity - If we fail to deliver projects to support nature, then there will be a potentially irreversible impact on local biodiversity due to climate change, with implications for the well-being of our communities.
    a. Risk score at time of closure – 6
    b. Risk has been reviewed, due to low risk (risk score remains the same but has been low for a while), Head of Planning is going to put this back on Service Level risk register so have removed from Corporate
    c. The overall carbon neutral and biodiversity risk has been reviewed (see below) and incorporates elements of this risk
    d. Nature recovery supplementary planning document is going cabinet in October and the action plan for sustainable alternative natural green space goes to cabinet in November.

2. Devolution - If Gloucestershire is not part of an effective strategic authority it may reduce or limit the councils ability to secure funding and investment and take advantage of devolution powers offered.
    a. Risk score at time of closure – 15
    b. It has now been almost 12 months since the white paper. Following the announcement of the initial six devolution priority areas, there is no indication as yet from Government that there will be further waves announced. Therefore, it is unlikely that Gloucestershire can take advantage of being part of a future devolution deal in the medium term. We will wait to see what is announced in the Autumn statement and can re-add this risk if the situation changes, but at present there is nothing that CBC can do to impact this risk. We will add this to our horizon scanning document.

3. Publica Information technology - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the councils IT systems at risk
   a. Risk score at time of closure – 8
   b. There is more clarity on the position of Publica in the medium term. IT with publica remains stable and is able to meet the needs of partner councils. While integration of housing IT systems is ongoing this can be managed as part of local service risks.

4. Cost of living crisis - If medium term risk of inflation continues then this may impact on the councils financial stability, our ability to deliver services & major developments and have a negative impact on our residents & team members
   a. Risk score at time of closure – 12
   b. The cost-of-living crisis as a title is no longer appropriate in this context but has been rolled into medium term financial strategy (MTFS) risks and costs pressures. This will also be reviewed with other service managers as to if it needs to sit on their service level risk registers.

5. Government's Fair Funding Review - If the Government review concludes significant changes to business rate retention, Government grant funding or Council Tax generation for Cheltenham then the MTFS budget gap may increase, requiring greater savings than already planned.
   a. Risk score at time of closure -15
   b. This risk has now been incorporated as part of the MTFS risk and therefore no longer needs to sit independently on the risk register

6. General Balances - If the level of General Balances is not sufficient to cover anticipated future pressures or unanticipated events, then this may result levels falling below the minimum required level as recommended by the Section 151 Officer in the Council's Medium Term Financial Strategy.
   a. Risk score at time of closure/move to service level plan – 15
   b. This risk has been moved to the finance service level risk register and therefore has been closed on the corporate risk register.

7. Lifeline Alarm Service - If we continue to experience delays in answering times with the lifeline alarm services then this delays emergency response times which could has a potential risk to life, safeguarding concerns, reputational damage.
   a. Risk Score at time of closure – 10
   b. Service with our monitoring centre has now returned to normal for the last week and so this risk has been removed from the risk register.

One risk is being reviewed to reflect the updated corporate plan:

The proposed wording is:

1. Cheltenham Council Carbon Neutral - If we fail to make Cheltenham Borough Council carbon neutral by 2030, and if we do not enable biodiversity, then we will not achieve our corporate objective.
   a. This risk will be assessed alongside other carbon neutral risks, and the team will consider if there are any other corporate risks for carbon neutral to be added to the corporate risk register.

Overview of change in risk score:

Two risks reduced since their last assessment

1. Rough Sleeping Initiative Funding - If there are external financial changes to jointly commissioned arrangements for Rough Sleepers, then the council may have to increase its funding via the General Fund in order for the service provision to continue at current standards.
    a. Changed the risk wording, reduced the risk scoring from 12 to 9, and updated the mitigating actions

2. Property Compliance - If there is ineffective management of property compliance then this will result in regulator intervention and reputational damage
    a. Mitigation measures updated and risk reduced accordingly from 16 to 12

The highest risks on the corporate risk register are:

The top two risks have a current risk score of 20:

Risk ID	Risk Status	Risk Title	Risk Description	Risk Manager	Date Raised	Risk Category (Multi-Select)
159	Active	Housing Revenue Account	If the housing revenue account becomes unviable then this may result in the council being unable to fund service delivery, investment in existing homes and the delivery of new housing.	Jon Whitlock	21/01/2025	Financial Customer satisfaction Performance Governance
142	Active	Leisure & Culture Venues	If the council does not have a long term vision & investment plan in place for its leisure & culture venues then significant unplanned maintenance, repairs & investment may be required to keep the venues running & it may undermine the ability of the Trust (or any future provider) to run leisure & culture services in a profitable way.	Richard Gibson	14/01/2025	Financial Reputation Customer satisfaction H&S wellbeing Contractual governance

The following risks have a current risk score of 16.

Risk ID	Risk Status	Risk Title	Risk Description	Risk Manager	Date Raised	Risk Category (Multi-Select)
145	Active	Prioritisation of capital resources	If CBC are unable to prioritise medium term projects and programmes which require significant capital financing, then it will increasingly have to rely of borrowing to fund service investments increasing the pressure on our revenue budgets to fund repayments.	Jon Whitlock	20/02/2025	Financial Capacity Reputation Governance

195	Active	Private Sector Housing (resourcing)	If CBC does not, or cannot, adequately resource its private sector housing work, then the authority will be unable to meet its statutory obligations and duties.	Bernadette Reed Louis Krog	12/09/2025	Reputation Legal
197	Active	People resource, LGR and financial provision	If we do not make an adequate provision in our financial plan for additional people resources over the next few years then we may not be able to deliver business as usual	Ann Wolstencroft	18/09/2025	Employee Capacity Reputation Customer satisfaction Performance Legal
146	Active	M5 J10 Planning	If the SLP councils do not come to an agreement with GCC as Local Highways Authority, in regard to the highway capacity in advance of the full build out of M5 J10 and an appropriate method of testing S106 contributions, then this may have a major impact on how planning applications are considered and impact on meeting the councils 5-year housing land supply.	Tracey Birkinshaw	07/05/2025	Contractual governance Performance
151	Active	Impact of lack of 5 Year housing land supply	If the housing delivery action plan, which seeks to address the lack of a 5-year housing land supply, is ineffective then will need to consider alternative actions.	John Spurling	14/01/2025	Reputation Capacity Performance
153	Active	Cheltenham, Gloucester & Tewkesbury Strategic & Local Plan	If there is a failure to gain political consensus across the partners to reach key milestones & failure to adequately resource work then this would impact on reaching milestones which would lead to delay, costs, lack of delivering statutory part of development plan & potential special measures.	John Spurling	21/01/2025	Reputation Contractual governance Financial Performance Capacity Governance Legal
158	Active	Local Government Reorganisation	If local government re-organisation is not managed effectively then it may impact on financial viability, services to residents and staff motivation and retention.	Gareth Edmundson	12/12/2024	Employee Financial Capacity Reputation Customer satisfaction Performance Governance

188	Active	Demand for Housing accommodation	If the number of asylum seekers and refugees and homelessness generally continues to increase in Cheltenham, and there is insufficient accommodation to meet the demand for housing then there will be increased pressures on homelessness and rough sleeping services.	Martin Stacy	25/06/2025	Financial Capacity Customer satisfaction Performance Reputation
152	Active	Cheltenham Trust	If the Trust is unable to deliver on its five-year business plan & run leisure & culture services in a profitable way (within context of cost of living crisis) then the council may incur financial costs to ensure the organisation remains solvent.	Richard Gibson	14/01/2025	Financial Reputation
160	Active	Medium Term Financial Strategy (GF)	If CBC is unable to come up with long term solutions which bridge the gap in the medium-term financial strategy, then it will find it increasingly difficult to prepare revenue budgets year on year without making unplanned cuts in service provision.	Jon Whitlock	21/01/2025	Financial Capacity Customer satisfaction Governa Reputati
157	Active	Cyber Security	If CBC have a cyber security breach then this could impact the Council's ability to deliver services leading to resident hardship, financial loss & reputational damage.	Ann Wolstencroft	21/01/2025	Reputati Governa Financial

Contact Officer: Victoria Bishop
Email: Victoria.bishop@cheltenham.gov.uk

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