



INTERNAL AUDIT

ANTI-FRAUD & CORRUPTION AUDIT PLAN

2025/26

Author: Simon Milne, Audit Manager Deputy CIA
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Background

The Council's overall arrangements for preventing, detecting and investigating fraud and corruption are regularly reviewed and assessed by Internal Audit. The Council's approach for countering fraud and corruption is set out in the Anti-Fraud and Corruption Policy which also highlights relevant legislation, details roles and responsibilities of officers & councillors and also provides detailed guidance for officers and managers.

In addition the following relevant key policies are in place within the Council: Whistle-Blowing Policy; Declarations of Interests, Gifts and Hospitality Policy; Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy; Financial Regulations; Employee/Member Codes of Conduct.

Introduction

Managing the risk of fraud and corruption is the responsibility of management. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected. Nevertheless, Internal Audit has a key role to play in the prevention, detection, and investigation of fraud and corruption.

Internal Audit maintains the Council's Corporate Fraud Risk Register and ensures any high scoring risks are considered for inclusion in individual service risk registers.

The Corporate Fraud Risk Register is used to identify key Council fraud and corruption risks and to allow Internal Audit to allocate its resource and regularly review these key risks as part of the annual audit plan.

This Anti-Fraud and Corruption Audit Plan provides the allocation of Internal Audit resource for tackling fraud and corruption against the Council. It covers the activities of the Council that are considered to be the most likely to be subjected to fraud in some form, either from within the organisation or from external sources.

2025/26 Annual Fraud Risk Assessment

The audit of fraud and corruption is an important feature of the Audit Plan and comprises of three main elements:

- An assessment of all or part of the Council's overall arrangements for preventing and detecting fraud and corruption;
- Ensuring counter-fraud and corruption work is incorporated within planned audits across directorates (e.g. payroll, creditors);
- Reviewing and testing specific risk areas that are not covered by planned audits.

Time has been allocated in the 2025-26 Audit Plan to carry out proactive prevention and detection work on fraud and corruption, including the specific risk areas not covered by planned audits. This time also includes work on the co-ordination of the National Fraud Initiative (NFI) data matching exercise.

The 2025-26 Audit Plan has also allocated days to undertake investigative work to be carried out if fraud or corruption is suspected or detected.

Corporate Fraud Work

Fraud checks on Council housing services (Right to Buy) will be carried out by the Corporate Fraud Specialist within Internal Audit, as well as providing specialist support for Blue Badge and housing tenancy fraud.

ANTI-FRAUD AND CORRUPTION WORK PLAN 2025/26				
REF	PLANNED ACTIVITY	Core Audit DAYS	Investigation DAYS	Corporate Fraud DAYS
	STRATEGIC			
1.1	Review of Best Practice – against CIPFA & other guidance	1		5
1.2	Corporate Fraud Risk Assessment – review and update	2		
1.3	Counter Fraud Case Management System – review system	5		
	CULTURE & DETERRENCE			
2.1	Issue fraud alerts - review types of frauds occurring & inform officers\managers	3		
2.2	E-learning - review completion of fraud awareness e-learning module	1		
2.3	Counter Fraud Policies - annual review	2		
2.4	Staff Declarations of Interests, Gifts & Hospitality – review system	5		
2.5	Staff Training – carry out targeted fraud awareness training	2		10
	PREVENTION & DETECTION			
4.1	Proactive analytical fraud detective work			
4.2	Contract Payments (all services)	25		
4.3	Direct Payments (Adults)	15		
4.4	Right to Buy (Housing)	15		
4.5	Blue Badges (Customer & Property Ops, Planning & Transport)	15		
4.6	Concessionary Travel (Planning & Transport)	15		
4.7	Moveable Assets (all services)	25		
4.8	Cash income (Commercial Services)	10		
4.9	Data-matching and investigation (including NFI)	35		25
4.10	Corporate Fraud Work - Housing Allocation\Tenancy\Right to Buy\ Blue Badges. (includes pro-active work)			50
	INVESTIGATION			
5.1	Counter Fraud Work - responding to suspected irregularities		100	30
	SANCTION/REDRESS			
6.1	Regular review of internal audit investigation log to confirm that sanctions applied are consistent and in accordance with policy	1		
6.2	Prosecution\Penalties for external fraud e.g. Housing Tenancy			5
	DEFINING SUCCESS			
7.1	2026-27 Counter Fraud Plan – prepare and complete	2		
7.2	Annual Report to Audit & Governance Committee – production	1		
	TOTAL ALLOCATED DAYS 2025/26	180	100	125
	GRAND TOTAL ANTI-FRAUD & CORRUPTION DAYS	405		

KEY FRAUD RISK AREAS (FROM CORPORATE FRAUD RISK REGISTER)

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Cybercrime Illegal activities conducted using computers or networks, encompassing hacking, fraud, identity theft, and other malicious actions online	12	- BCP cyber security audit review 2021/22 - Network security audit review 2023/24 - 3rd Party access audit review 2024/25	-
Mandate Fraud Fraudulent attempt to change bank account details for a supplier	12	- Annual Creditors audits - Bank mandate specific audit review 2024/25	-
Contract Fraud Unfair award of contract to a supplier / incorrect payment made to suppliers	12	- BCP contract award audit review 2023/24 and 2024/25	Review & test contract payments to suppliers
Income Money due to the Council is intercepted	9	- 2024/25 BCP cash income checks carried out	Review cash income collection processes in Commercial Services
Council Tax Discount Fraud Council Tax Discount claimed despite not being eligible thus undermining Council Tax income and budget situation	9	- Annual Council Tax audits - NFI Council Tax Single Persons Discount annual review	-
Financial Assessments Financial circumstances are not accurately disclosed, resulting in incorrect contribution calculation	9	- Annual Key Financial System reviews	Corporate Fraud work on fraud referrals
Residential Care / Homecare Payments Residential care payments made when either the client does not exist, or no notification was made of deceased resident	9	- Annual Key Financial System reviews - Reviewed payments to residential and homecare clients 2024/25	-
Direct Payments (Adult & Children) Direct payments are not spent as per care plan activities	9	- Adults audit review 2021/22/23 - Children's audit review 2024/25	Review direct payment expenditure controls for Adults
Housing Tenancy Incorrect declaration of circumstances leading to Council property being obtained / Council property is illegally sub-let / Council property is not lived in by tenant	9	- BCP audit review 2023/24	Corporate Fraud support work NFI data matching work
Planning Applications Incorrect information given in order to wrongfully obtain planning permission	9	- BCP audit review 2024/25	-
Housing Right to Buy Obtaining discount and property by providing false records of circumstances	9	- BCP audit review 2022/23	Review Right to Buy new combined process Corporate Fraud work on applications
Recruitment Individual wrongfully obtaining employment using false information	9	- BCP audit review 2024/25	-
Creditor Payments Creditor payments made to incorrect supplier	8	- Annual Creditors audits - 21/22 duplicate payments review carried out - NFI biennial exercise (last Jan 2025)	-

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Treasury Management Payments Fraudulent bank transfer payments made disguised as genuine treasury management transactions	8	- BCP audit review 2023/24	-
Schools Creditor payments, expense payments, funding payments and payroll	6	- Ongoing school audits	-
Council Tax Reduction Scheme (CTRS) Submitting false information in order to wrongfully gain CTRS	6	- Annual Housing Benefit audit - NOTE BCP Revs responsibility	-
Business Rates Incorrect declaration of circumstances leading to incorrect rates being charged	6	- Annual NDR Key Financial System audits - Small Business Relief data matching work 2019/20 - NOTE BCP Revs responsibility	-
Blue Badge Use of a counterfeit / stolen / deceased / fraudulently obtained Blue Badge	6	- BCP audit review 2021/22	Review arrangements in place Corporate Fraud support work
Theft of Assets Assets and / or data stolen / used for personal use	6	- Asset Management Key Assurance Function service reviews	Review moveable asset fraud risks & controls across BCP Council
Procurement Cards Fraudulent use of procurement card such as personal use	4	- BCP Counter Fraud Review 2020/21 - BCP audit review 2024/25	-
Concessionary Travel Gaining access to Concessionary travel using false or omitted information / fraudulent use of permit	4	- BCP audit review 2020/21 - NFI biennial match to deceased process	Review new travel pass combined process Corporate Fraud support work
Grant Award False payment of grants to private individuals, companies, charities / misuse of grant funding	4	- Includes COVID grant awards – Internal Audit assurance work carried out 2020/21/22 - BCP Grant Award audit review 2022/23	-
Employee False Claims Inappropriate employee claims for expenses and / or time	4	- BCP Counter Fraud Review 2020/21 & 2023/24 (expenses only) - Payroll Key Financial System audits	-
Licences Obtaining licence through provision of false information	4	- Covered with Identity Fraud audit review 2022/23	-
Debt Collection Debts written off / reduced incorrectly (intentional)	4	- Annual Debtors audit	-
Serious and Organised Crime Council fails to prevent serious and organised crime	4	- BCP audit review 2021/22	-
False Applications/Identity Fraud Somebody uses someone else's identification / personal data to gain services / funds to which they would not otherwise be entitled	4	- BCP audit review 2022/23	-
False Insurance Claims Fraudulent insurance claim paid by the Council	3	- BCP Insurance audit review 2020/21	-
Payroll Fraud Payments made when the employee does not exist	2	- Annual payroll audits	-

Area of Fraud Risk	Register Score	Internal Audit (IA) work coverage	Resource Required 25/26
Schools Allocations Submission of false information to gain a place at a preferred school	2	- School Admission arrangements reviewed 2023/24	-
Recourse to Public Funds Persons gaining access to services/funds to which they are not entitled through false or omitted information	2	- BCP audit review 2020/21	-
Local Welfare Assistance Fund Falsely claiming entitlement to crisis payment financial assistance	2	- BCP audit review 2020/21	-
Sham Marriages Council allows a marriage to proceed without carrying out adequate checks	2	- BCP audit review 2021/22	-
Policy Compliance			
Criminal Finances Act	4	- BCP audit review 2022/23	-
Anti-Money Laundering	4	- BCP audit review 2022/23	-
Anti-Bribery & Corruption	4	- BCP audit review 2023/24	-
Regulation of Investigatory Powers Act and Investigatory Powers Act	4	- BCP audit review 2023/24	-
Employee Declaration of Interests	4	- BCP audit review 2020/21 - Annual review of senior officer form completion	Review of corporate system
Councillor Declaration of Interests	4	- BCP audit review 2022/23	-