



COTSWOLD

District Council

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 30 SEPTEMBER 2025
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT
Wards affected	All
Accountable member	Councillor Patrick Coleman, Cabinet Member for Finance Email: Democratic@Cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Chief Finance Officer Email: Democratic@Cotswold.gov.uk
Report author	Emma Cathcart, Head of Service Counter Fraud and Enforcement Unit Email: Democratic@Cotswold.gov.uk
Summary/Purpose	<p>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.</p> <p>To present 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.</p> <p>To provide 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.</p>
Annexes	Annex A – Fraud Risk Strategy 2025 Annex B – Fraud Compliance Report and Appendix Annex C – Fraud Response Plan



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Recommendation(s)	<p>That the Committee resolves to:</p> <ol style="list-style-type: none">1. Note the report and attachments; Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan are appended at Annex A, B and C respectively.
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services
Key Decision	NO
Exempt	NO
Consultees/ Consultation	<p>Work plans are agreed and reviewed regularly with the Deputy Chief Executive and Chief Finance Officer.</p> <p>Any Policies or Strategy documents drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.</p>



1. EXECUTIVE SUMMARY

- 1.1** 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.
- 1.2** 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.
- 1.3** 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.
- 1.4** 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.
- 1.5** 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.
- 1.6** As the body charged with governance in this area, the Audit 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.

2. MAIN POINTS

- 2.1** The Counter Fraud and Enforcement Unit (CFEU) developed a Fraud Risk Strategy for implementation across the Partnership in 2022. Audit and Governance Committee considered this in September 2022.
- 2.2** The Fraud Risk Strategy 2025 (the Strategy), attached at Annex A, has been reviewed to ensure it meets requirements and reflects current risks, legislation, government standards, and the CFEU approach relating to counter fraud activities.
- 2.3** 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.



- 2.4** 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.
- 2.5** 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.
- 2.6** 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.
- 2.7** 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.
- 2.8** Attached at Annex B 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.
- 2.9** 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.
- 2.10** Also attached at Annex B is the completed FFCL checklist which confirms a significant level of compliance.
- 2.11** 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 and Governance Committee. More targeted communications and updates are planned for employees and contractors in terms of fraud awareness and whistleblowing.



- 2.12** A Fraud Response Plan and supporting summary are presented at Annex C. 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.
- 2.13** The CFEU work plan for 2024/25 included a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas.
- 2.14** A Grant Management Policy (the Policy) has been drafted and is in the final stages of consultation. The Policy sets out the processes to be followed by employees when managing all grants, applying for external funding, developing a new grant scheme and the distribution of funds.
- 2.15** 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.
- 2.16** As previously reported to the Committee and in the press, the CFEU undertook an investigation 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.
- 2.17** 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.
- 2.18** 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.
- 2.19** A timetable has been agreed in relation to the financial orders to include Proceeds of Crime proceedings.



- 2.20** The investigation informed the decision to focus on the risks relating to polygamous working. A fraud risks and mitigations report has been issued to Corporate Management Team and to Governance Officers.
- 2.21** 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.
- 2.22** Work streams relating to vetting and recruitment risk mitigation, proactive fraud drives to identify secondary employment, and the management of remote working have also commenced.
- 2.23** 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 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.
- 2.24** 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 October.

3. FINANCIAL IMPLICATIONS

- 3.1** 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.

4. LEGAL IMPLICATIONS

- 4.1** 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.

5. RISK ASSESSMENT



- 5.1** The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.
- 5.2** Failure to undertake such activity would accordingly not be compliant and expose the Council to greater risk of fraud and/or corruption.
- 5.3** If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

6. EQUALITIES IMPACT

- 6.1** The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.
- 6.2** The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998. 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.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 7.1** None directly.

8. BACKGROUND PAPERS

- 8.1** 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 and Governance Committee Report September 2022 – Counter Fraud and Enforcement Unit Fraud Risk Strategy.
- 8.2** These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

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