

Report for: Audit Committee – 10th November 2025

Item number: 10

Title: Anti – Fraud, Bribery & Corruption Report – Quarters 1&2 2025/26

Report authorised by: Taryn Eves – Corporate Director of Finance and Resources

Lead Officer: Minesh Jani, Head of Audit and Risk Management
Minesh.Jani@Haringey.gov.uk
07817 617839

Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

This report details the work undertaken by the in-house fraud resources in the Audit and Risk team and communicates a first update on completion of the work plan for 2025/26.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee is recommended to note the activities of the team during quarters one and two of 2025/26.

4. Reasons for decision

The Audit Committee is responsible for monitoring the effectiveness of the policies on Anti-Fraud, Bribery and Corruption and receiving assurance with regard the Council's internal control environment and mechanisms for managing fraud risk. To facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Audit Committee with regards Anti-Fraud, Bribery & Corruption.

5. Alternative options considered

Not Applicable.

6. Background information

The information in this report has been compiled from information held by Audit & Risk Management.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes’?

The Audit & Risk team makes a significant contribution through its pro-active work in ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all strategic priority outcomes.

8. Carbon and Climate Change

There are no direct Carbon implications arising from this report.

9. Statutory Officers comments on behalf of Corporate Director Finance and Resources & Director of Legal and Governance

Corporate Director: Alex Altman - Business Partner Finance

There are no direct financial implications arising from this report.

Procurement

There are no direct contract and/or procurement implications arising from this report.

Director for Legal & Governance: Haydee Nunes De Souza - Head of Legal Services

The Council's Head of Legal Services has been consulted in the preparation of this report, and in noting the progress made with delivering the Audit Plan, and the activities undertaken in relation to risk management and anti-fraud, advises that there are no direct legal implications arising out of the report.

Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
- advance equality of opportunity between people who share those protected characteristics and people who do not.
- foster good relations between people who share those characteristics and people who do not.

The Audit & Risk team is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010 and this is built into the team's operational procedures. Ensuring that the Council has effective counter-fraud arrangements in place will assist the Council to use its available resources more effectively.

10. Use of Appendices

Not Applicable

11. Background papers

Not Applicable

12. INTRODUCTION

- 12.1 This report covers the period from 7th April 2025 to 3rd October 2025 and summarises the work of the Audit & Risk Service in relation to anti-fraud and corruption.
- 12.2 The work of the team is driven by the Council's Anti-Fraud, Bribery & Corruption Strategy, which was approved in 2024, following an external review against best practice. The Strategy is supported by a risk assessment and operational work plan, which is annually reviewed, this was completed in quarter one. More information is provided in section 13 of the report.
- 12.3 The Fraud structure within the Audit & Risk Service consists of a Head and Deputy Head of Audit & Risk who has operational line management responsibility for six investigator posts filled by circa equivalent to 5 FTEs as two team members are part time/flexibly retired.
- 12.4 Fraud risk is considered when scoping all audit assignments, undertaken by Mazars, and where there is a high inherent risk of fraud in the system and process additional focus is included in the scope. The in-house resources investigate issues that arise, or concerns referred to the team by management or members of the public, or other risk areas identified in the audit planning process. The results of all this work feeds into our assessment of fraud risk in the council.
- 12.5 Annually the governance of the organisation is reviewed, and this informs the Annual Governance Statement. This review considers the system of internal control which helps to inform our overall risk assessment. The Annual Report and Head of Internal Audit Opinion outlines weaknesses in internal control. There are a number of areas of the council where our first and second line of defence controls are not robust enough to prevent and detect fraud, in these areas proactive and preventative work is planned by the team, however the number of reactive referrals puts pressure on the finite resources to deliver against all objectives.

13. RISK ASSESSMENT 2025/2026

- 13.1 Fraud risks, both internal and external threats, are well known in public sector organisations and efforts to quantify them show that whether the economy is in recession or boom the fraud threat remains high. However, we must acknowledge that in times of economic downturn individuals will find it easier to justify that act of fraud. In the 2020s the threat of organised crime and cybercrime are more prominent than ever; these are areas that all Council's struggle to mitigate with their available resources but robust preventive action through risk management is ongoing and audit assurances are obtained circa every two years with follow up in the interim years. In Haringey the highest risk fraud areas, with regards specific business areas, after assurances with regards effective controls are listed below. Reactive referrals and cases identified via data matching work have increased across all the high-risk areas of the council. This is in part due to improved awareness and abilities to identify fraud within processes.

13.2 Housing

Tenancy Fraud – The fraud team undertake some proactive fraud checks to try to help housing mitigate fraud risk. However, these have been reduced in 2025/26, and the onus been on training Housing officers to use data available to them to prevent and deter fraud. Despite these proactive efforts the risk remains high and weaknesses in housing processes historically, and the challenges during Covid, left us more vulnerable to fraud risk. Data Matching and the National Fraud Initiative are used to help detect fraud. Many referrals are received from the residents of the Borough each year and from the Tenancy Officers responsible for the patches across the Borough. We meet with the Senior Leaders in Housing regularly to feed back insights re process and control from the referrals and investigations we undertake to support the Housing Improvement Programme.

Temporary Accommodation – Our risk rating increased for this area as we had some referrals re frauds detected by management controls. A proactive project started in 2024/25 but will end November 2025. Investigator resources have been deployed to this area of risk as part of the 2025/26 work plan. The outcomes of this project are included later in this report see 15.12.

Right to Buy - Every Right to Buy application is checked to ensure there is no housing fraud occurring and that Money Laundering Regulations are being adhered to. Every year this work identifies referrals for housing fraud not only for Haringey but also for other Boroughs. This risk is heightened in 2025/26 due to the change in government policy in November 2024. However, once the spike in applications has been processed resources, used to review applications, will divert back to increase our capacity to investigate other housing fraud cases.

13.3 Enforcement

Blue Badge – There continues to be a high incidence of blue badge fraud in the Borough and despite some efforts to deter as part of a fraud project, the developments in recent years in parking enforcement means the number of PCNs issued monthly remains high. This will continue to be a workstream for the team in 2025/26 but there is a project which involves colleagues from Parking and Digital Services to automate the process so that outcomes can be optimised and fraud resources can focus on the prosecution of most serious offences and focus efforts on identifying organised crime behind the offences.

13.4 Social Care

Direct Payments – due to the expenditure this is a high inherent risk area, historically proactive fraud and audit work had indicated that we were managing the risk robustly however there has been an increase in referrals re direct payments which indicates that the current risk levels are rising. The team have been working with colleagues in Social Care, and the National Fraud Initiative from 2025/26 will again, after many years of social care being excluded, include data sets relating to Social Care Fraud Risk. The first two data sets matched will be Residential Placements and Direct Payments and the results of the matching will be received by the Council in January 2026.

Care Service Providers – we have had some referrals with regards care providers in the Borough and work with commissioning/social care colleagues to investigate all aspects of concerns raised. These reactive cases enable us to support management to embed greater fraud prevention controls in their processes. There is also corporate work relating to commissioning as part of the Council's financial recovery efforts which will help to improve governance and control relating to commissioning and contract management.

No Recourse to Public Funds – the fraud team undertake proactive checks where the No Recourse team have concerns or where there are fraud flags in an application. This intelligence helps to ensure that the application process is robust. We will continue this work in 2025/26.

13.5 Corporate

Internal Fraud – is high when the cumulated impacts are considered. Controls like pre-employment screening; segregation of duties in processes; governance around conflicts of interest and delegated authority etc help to mitigate. We have had a large increase in cases at the end of 2024/25 which has continued into 2025/26. These investigations can be challenging where controls and records are not robust. The team will accept all internal cases, if they fit the relevant criteria. For all cases we report not only re the specific allegations raised but also root cause control issues for corporate stakeholders/control owners. We work closely with colleagues in Employee Relations Team. as for many internal fraud cases a disciplinary case will run alongside the criminal investigation. The increase across the public sector for dual working / polygamous worker cases has been significant. The team will also prepare prosecution standard evidence packs to support other councils who are pursuing their employee(s) or agency workers for fraud, the council who has experienced the highest financial loss tends to lead the investigation. Since the success of a pilot exercise in this area the NFI will in future facilitate a match between public sector payrolls and agency providers to help identify individuals with multiple employment contracts nationally. Overtime this will deter the fraudsters, however in the short term the number of cases identified is not declining.

Procurement – Procurement related fraud is inherently high in the public sector. Limited Assurance audit reports have confirmed this to be a high-risk area due to significant control weaknesses. The threat in this area can be external from companies and suppliers looking to exploit governance and control weakness. Some of our employee related bribery & corruption cases involve contract and procurement activity and collusion with private companies, so this continues to be an area of concern however the team does not have capacity to deploy any proactive fraud resources in 2025/26. Strategic Procurement changed their operating model in April to reduce the threshold for corporately overseen procurement activity, these changes and the financial recovery workstreams should reduce the risks in 2025/26. Reactive investigations into bribery & corruption will be investigated as a priority. The evidential burden is high in prosecuting fraud, so these are challenging and resource intensive cases to pursue. To satisfy external audit requirements the team have again undertaken a data driven fraud risk assessment for all activity via the HPCS procurement system. The outcome of this work will also be shared internally to support the development of more robust procurement controls.

Business Rate and Council Tax – The Covid Business Grant projects helped to bring business rate data up to date for the Borough, which flagged issues with tax avoidance. The base data now is much more robust and will enable more robust fraud prevention activity to occur. Data matching tells us we have a high level of SPD fraud or error in the Borough, however in recent years revenues have procured a service to ensure that there is more challenge to entitlement for discounts in the control environment as well as withdraw discounts that are no longer applicable. Due to the values of individual frauds in this area we have raised recommendations to management to ensure the controls are there to prevent these frauds as this is the most efficient way to manage this risk area. As part of our strategy, we have communicated to Management that we are keen to prosecute cases in this area to add a deterrent factor into the control environment. This will not be a priority in 2025/26 though unless a referral is received from Management.

Grants – the Covid Business Grants Project was very high risk of fraud and due to proactive risk management and fraud expertise on the project the successful frauds were very low. Since 2021 the team has completed a number of annual projects to support some teams who are allocating grants to organisations or individuals in the community to ensure risk is managed. Requests for our support increase year on year as teams in services acknowledge higher fraud, and other risks, to their work.

14. ANTI-FRAUD, BRIBERY AND CORRUPTION WORKPLAN FOR 2025/26

14.1 Due to capacity in the team delivery of our proactive fraud plan often is hindered by reactive referrals and/or other advice or guidance required. The list of proactive assignments is reviewed annually and prioritised and will remain in the work plan until completed.

14.2 The key projects planned for 2025/26 include:

- **National Fraud Initiative** – see 15.9.
- **Temporary Accommodation** – during quarters 1 and 2 one team member has been seconded part time into a project to identify frauds and any fraud cases identified will be allocated for investigation - see 15.12.
- **Fraudulent payment of PCNs** – there are high numbers of PCNs paid using stolen card details which causes significant resource wastage for the council and could indicate organised crime in the Borough. Audit work to initially analyse this and put in more robust governance is underway. This needs to be completed before any fraud resources can be allocated proactively on investigating, however the fraud team do deal with reactive referrals and data protection requests from banks and would support the services if any referrals for fraud were generated in this area.
- **Hidden Assets in Financial Assessments** - this was a project agreed in 2023/24 – some work was undertaken, and this work was put on hold, whilst management tackled control issues which were barriers to successful data driven fraud work. This will be a project for 2025/26,

subject to capacity once follow up audit and risk work confirms that management have taken the agreed actions and as a result more robust processes are in place and operating effectively across teams.

- **Procurement due to the fraudulent activity identified in 2023/24.** A fraud risk analysis of all 2024/25 spend has been commissioned from Mazars to determine if other similar frauds have occurred and satisfy again the request from External Audit. Our work to analyse the outcomes is on-going but to date has noted none, however there was some non-compliance or poor practice that increases fraud risk in the Council, and we are working with Strategic Procurement on these.
- **Squatting** – due to the criminality involved in Squatting and the links to the proactive housing fraud work we do re occupancy we continue to link with management from an audit and risk perspective with regards the threat of squatting in the Borough. We continue to look for indicators of internal corruption in this risk area as new cases of squatting are identified.
- We were unable to complete the audit work regarding the **Use of Death List information** planned in 2024/25, our aim was try to ensure that the Council has the information and promptly stops services no longer required, preventing those identities, public funds, and properties from being misused. The concerns we had were raised with Housing Management in 2023/24 and 2024/25 and some actions agreed. The team have reviewed all the NFI matches in 2025/26 relating to matches with death registrations, and cases have been generated. We continue to identify individual cases where services or payments are still being made post death as part of our daily case work and these are communicated to management and tracked until actions are complete. The team have noted however, that the death information lists are now being proactively worked on in Housing services and cases raised as a result of NFI are being processed in timely fashion. The NFI data matching in social care will help to assess the use of death lists outside of Housing in other high risk service areas. More information on outcomes in this area is contained later in the report, see 15.9 and 15.11.

15. ANTI-FRAUD, BRIBERY AND CORRUPTION ACTIVITY

- 15.1 The team undertakes a wide range of anti-fraud activity and has two performance indicators to monitor its work relating to tenancy fraud and the right to buy fraud. These targets have in the past been consistently achieved, apart from the Covid affected years. There is a recognition that over the last year, there has been a significant increase in the number, type, and scale of frauds the team is responding to, and this has put pressure on the deliverables of the team. The housing fraud outcomes in particular, are affected. The increase in internal cases and our inclusion of blue badge cases has reduced the resources available for housing fraud. The team continue to track all historical cases until the property is recovered into stock. Although some cases are complex and continue to take a number of years for the recovery to happen there is a noted improvement in timelines for the more straight forward cases, however further work is needed to minimise the rent lost in these interim months between legal tenants.

- 15.2 Financial values are assigned to these outcomes based on the discounts not given and the estimated value of providing temporary accommodation to a family. The Cabinet Office support a valuation for the recovery of a tenancies of £42,000 per property. The value assigned to the Right to Buy work links to the cost of discount not applied to our asset.

15.3 Table 2 - Local Performance measures – anti-fraud activity

Performance Indicator	Q1/Q2	YTD	Annual Measure
Properties Recovered Q1	8		
Properties Recovered Q2	20	28	50
Right to Buys prevented Q1	20		
Right to Buys prevented Q2	15	35	80

15.4 Tenancy Fraud – Council properties

- 15.5 The Corporate Anti-Fraud Team works with Housing colleagues to target and investigate housing and tenancy fraud. Housing continues to fund 0.6FTE of Tenancy Fraud Officer co-located part time within the Corporate Anti-Fraud Team. There are plans to do cross team proactive tenancy fraud campaigns and use data matching however this work will not be completed until the Housing Improvement Programme has improved systems, process, and technology across Housing. It is hoped that this and the planned proactive work will ensure our annual targets are achieved and try to shift the Council's work on tenancy fraud to a more proactive and preventive approach.
- 15.6 The Corporate Anti-Fraud Team works with the Housing team to identify the most effective use of fraud prevention and detection resources across teams to enable a joined-up approach to be taken, especially where cases of multiple fraud are identified e.g., both tenancy fraud and right to buy fraud. There are still a large number of cases that need action. Of the 433 open cases at period end 242 currently sit with other teams for action. The team have no live housing fraud prosecutions currently; there are a number of possible prosecution cases within the caseload.

15.7 Table 3 - Tenancy Fraud (Council/Secure) Activity and Outcomes

Opening Caseload	452	
New Referrals received	92	
Total	544	

Properties Recovered		28
Case Closed – no fraud		83
Total		(-) 111
Closing Caseload		433

15.8 Right-to-buy (RTB) applications

As of 3 October, there were 447 ongoing applications with 72 under investigation as part of the statutory money laundering stage of the process. During quarters 1&2, 35 RTB applications were withdrawn, timed out or refused either: following review by the Corporate Anti-Fraud Team or due to failing to fully engage with the money laundering stage of the processes. The applicants are served reminders, by legal, regarding timescales and the Corporate Anti-Fraud Team work flexibly with applicants and their solicitors to gather the required evidence to satisfy the money laundering regulations. 214 new applications were received in this period; 25 ongoing applications remain in process awaiting re-valuation of the property value. 24 applications ceased for reasons other than the Corporate Anti-Fraud Team's direct intervention and 47 properties were sold.

15.9 National Fraud Initiative is a statutory function (under Local Audit and Accountability Act 2014, Part 6). £477.5M has been the reported savings across all local authorities for the 2022/24 accounting periods.

The Public Sector Fraud Authority established in 2022 works under the Cabinet Office and HM Treasury to enhance governments counter fraud function. There is a 2024-2028 strategy being delivered and planned developments to NFI will enhance the data matches available for local authorities to identify fraud and pursue. The exercise runs every two years with some pilots and 're-checks' periodically in between.

The results of the NFI were received in January 2025 and reports received are analysed by the intelligence resources in the team and/or service key contacts. The team use a risk-based approach to focus on key reports that need to be reviewed, where we can more efficiently consider the fraud risk the team retain responsibility for the reports and matches. The benefit of the NFI is unlike any locally driven proactive data matching activities the intelligence is across a wide range of public sector held data sets.

There were eight new 'high risk' cases identified from the 'payroll to payroll' data match which is a key one due to the heightened risk of dual working since covid. The team led on intelligence gathering to assess the fraud, two cases were closed and the others where the individual was still employed all were passed into the disciplinary process, with by Haringey or the current employer. There were circa 30 other matches for payroll to review, and this work is on-going.

In line with our risk assessment and work plan the focus of the team has been related to high-risk housing reports. This review has flagged 68 cases for further investigation with housing; any fraud cases will be identified as part of this work.

A match of Housing Tenants to HMRC property ownership flagged 78 matches of these 41 cases require further investigation 16 by the fraud team and 25 initially by housing colleagues to determine if there are concerns remain and principal home.

Reports relating to Pensioners and Blue Badges are still being worked on by management. The team will support colleagues when capacity allows to work on the NFI reports and provide some fraud advice and guidance. The team have been supporting social care in quarter 2 with generation of the data sets required for data matching and these were submitted on time in October 2025, results are expected in January 2026 and key service contracts will be briefed and trained ready for the cross team working on matches.

At the end of quarter two there were minimal outcomes captured in the portal to report but further updates will be provided later in 2025/26 when more match reports are closed.

15.10 Blue Badge Fraud

To date there have been 280 cases accepted as part of the fraud prevention project. Outcomes from cases to date:

- 85 closed, no further action;
- 4 prosecutions;
- 4 cases with legal;
- 50 cautions administered; and
- 136 live cases.

The project has proven to be successful and achieved the deterrent factor desired to try to support Parking in reducing this fraud in the Borough.

Capacity is hindering the outcomes of this work however there is an agreed project to automate the process, and it is hoped by 2026/27 this will be embedded.

The following is the notional cost to the public purse used in prosecution cases Blue Badge fraud is significant and, by claiming exemption from the congestion charge, a blue badge holder saves £2,500 per year. They may also avoid having to pay for a resident's parking permit, at £50 - £250 a year. If the motorist avoids paying hourly on-street parking charges of £3 per hour for 40 hours a week, this adds up to a further £6,000 a year (this could be even higher if commuting to central London). Fraudulent misuse could be costing local government (TfL and the boroughs) £5,000 - £10,000 a year per badge, in addition to the extreme inconvenience for disabled motorists and passengers.

15.11 Pro-active counter-fraud projects

Void Property Project update

A proactive exercise to identify void properties / tenancies that need terminating, using death list data and council tax records that had a class F exemption (in the name of 'executors of') was completed in 2023/24.

The 69 cases identified by IA have been reported to Housing. 41 of them were known to Housing but were either not being pursued or were complex cases for resolution; for 13 of these anti-fraud officers were already assisting.

As at end September 2025, only seven cases remain open, two are with legal and five are with housing for action.

24 properties have been recovered, to date, following the proactive work of the team.

The recoveries generated by this project are not included within the tenancy fraud performance.

15.12 Temporary Accommodation

The Head of Audit & Risk Management and one investigator have worked on a project with Housing demand in this area during quarter 1 and 2 to try to identify savings and potential fraud cases for investigation. The project has led to 15 referrals into the team. Six have been closed; four frauds confirmed, and five cases remain open.

15.13 No Recourse to Public Funds (NRPF)

In quarter one, 25 referrals have been received and responded to by the Corporate Anti-Fraud Team. The role of the Corporate Anti-Fraud Team is to provide a financial status position for the NRPF team to include in their overall Children and Family Assessment.

The average cost of NRPF support per family (accommodation and subsistence for a two-child household) is around £20,000 pa.

15.14 Ad hoc requests

The team deal day to day with many ad hoc requests from management for advice and guidance. They also respond to data protection requests from other teams and organisations. In quarters 1 and 2 there were some interesting requests for assistance. We undertook some proactive fraud prevention checks with regards decanted families and their right to return to the Broadwater Farm estate after regeneration. We have supported management to analyse application fraud so that intelligence can be shared with this Home Office and MCHLG with regards the Homes for Ukraine sponsor scheme.

15.15 Internal employee investigations (excluding dual working)

The Audit & Risk team are responsible to investigating all allegations of fraud, corruption, and financial irregularity against employees.

At the start of quarter 1 the team had three employee cases open all cases remain open at the end of quarter two. Two cases are criminal in nature and relate to ex-employees, one is with legal for advice on the prosecution case the other file is being prepared for legal review. The third is an employee corruption case, the investigation and is on-going.

In quarter 1 there were no new employee related cases, in quarter 2 there have been seven new referrals. Two are live cases at the end of the quarter; two were closed with no case to answer; two have been passed into the disciplinary process due to insufficient evidence of fraud the final case has concluded in disciplinary process with a dismissal and the case will go to court in quarter 3.

The Audit and Risk service work closely with officers from HR and the service area involved to ensure that the appropriate investigation, following a referral, is completed as quickly as possible. The cases are prioritised according to risk to the council and severity of the allegations.

For all cases there is consideration of root causes and where weaknesses in our control environment have contributed or enabled fraud, corruption, or other breaches of code of conduct and other rules and procedures to occur. These audit observations are highlighted to management.

15.16 Dual Employment Cases / Agency Worker cases

At the start of quarter 1 we had one live ex-agency worker dual employment case which, following legal advice the lead authority is now requesting our support to produce the prosecution file. There was also one employee case open, gain the objective is prosecution, and the file is being prepared for legal.

The eight new cases flagged by NFI have all been closed by the team, however as required an investigator will provide evidence for the disciplinary processes (Haringey or other Employer) or prosecution files (other employer), none of these new cases are being pursued to prosecution by the team.

In addition to those identified via NFI there are two other cases (from 2024/25) where other councils are leading a prosecution case against their employee.

In quarters 1 & 2 there have been eight new dual worker cases referred internally or from other councils. The team has completed all evidence gathering required re these cases and continue to work with Human Resources or the lead authority to support the action they are taking. One case has been taken on by the police for investigation.

15.17 Whistleblowing Referrals

The Head of Audit and Risk Management maintains a record of referrals made using the Council's Whistleblowing Policy. At the start of quarter 1 the team had one referral open relating to an external organisation providing

services commissioned by the council. The case remains open and an investigation is underway across fraud and Management.

Eight new whistleblower allegations have been accepted since April under the policy. Two cases have been investigated and closed with no case to answer and lessons learned noted; two are being investigated by the team, and the other four management are responsible for investigation, but the cases will be tracked until a satisfactory outcome can be recorded.