
Counter Fraud Update

Governance and Audit Committee

Date of meeting: 26th November 2025

Lead director: Amy Oliver

Useful information

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager, Veritau)
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- Report version number: Version 1

1. Summary

- 1.1 The purpose of this report is to inform the Committee of the work conducted by the Corporate Investigations Team during 1st April 2025 to 30th September 2025. It is important to note that this report relates to activities undertaken prior to the transfer of the investigation function to Veritau Public Sector Ltd. All counter fraud activities conducted after 1st October 2025 will be carried out by Veritau and will be presented to the committee at future meetings.

2. Recommendations

The Governance and Audit Committee is recommended to:

- a) Receive and comment on the report.
- b) Make any recommendations it sees fit to the Executive and/or the Director of Finance.

3. Background

- 3.1 This report includes statistical information on fraud cases identified, referred and, where appropriate, investigated by the Corporate Investigations Team.
- 3.2 As part of its work, the Corporate Investigations Team investigated suspected financial irregularities and makes recommendations to reduce the risk of further losses and improve performance, efficiency, effectiveness, and economy in the use of resources by the Council.

4. Detailed report

- 4.1 The work of the Corporate Investigations Team included proactive data matching and reactive referrals received relating to suspected financial irregularities. These two work types covered the majority of activity. Some examples of the work areas and savings are listed below. These are not exhaustive, and the total savings are detailed in the table at 4.8 of the report.
- 4.2 The team conducted background checks on every Right to Buy application on council homes and this remains a key objective to ensure that all purchases are valid. This includes checks to ensure the tenant was still resident at the property and that the source of the funding to purchase the property was legitimate and evidenced. Where irregularities or concerns are raised, the issues were shared with Legal Services and the Right to Buy

Team. This not only identified irregularities that may prevent a sale, but also provided a higher level of assurance for those sales that did proceed. The team identified 13 Right to Buy applications that were invalid and the assessed savings during the first 6 months of the financial year 2025/26 from the loss of rents had invalid sales proceeded was £616,000.

- 4.3 The Team undertakes an annual review of long term empty residential properties to ensure that the council tax discounts awarded are correct. Where a property is identified as being occupied the account is corrected and recovery of the council tax owing is pursued. Together with related checks such as single person discount, savings for the period covered by this report total £189,000 which related to 92 properties that were in fact occupied.
- 4.4 The Team also worked in close partnership with the school admissions section to validate the details submitted in the applications for school places. The validation exercise checks that the data submitted is accurate and that the school places allocated are valid. This is to ensure that those children who are allocated a school place are based on their correct addresses. This has identified 14 secondary school where the applicant had applied from a false address in an effort to get a school place at their preferred school.
- 4.5 The Council continued to benefit from membership of the National Anti-Fraud Network (NAFN), which alerts member authorities to the latest phishing emails and frauds. These alerts have been shared across the Council to ensure awareness is raised and efforts to prevent attempted fraud are enhanced. They are an excellent fraud prevention tool as they help to ensure new emerging risks nationally are highlighted. Where the risks relate to school frauds they are shared with schools across the city.
- 4.6 The Corporate Investigation Manager considered management requests for access to the records of employees' emails, internet access, computers, and the building access system (which gives staff access to Council buildings). Supported requests are then presented to the Director of Finance for authorisation. Many of the requests were for information from more than one system and some requests were for information relating to several users. During the first six months of 2025/2026, 14 requests were received and processed in accordance with internal policy and national legislation.
- 4.7 During the remainder of the financial year the National Fraud Initiative (NFI) datasets will continue to be reviewed by the service areas and any irregularities can be referred to Veritau for potential investigation. Each report of matches includes guidance on how to check the matches.
- 4.8 Fraud Awareness training courses were delivered in person to the Concessionary Travel team and numerous teams within the Housing Department in April and June 2025. The E Learning package is available to all staff and is mandatory for all new starters.

4.9 Table of savings 1st April 2025 to 30th September 2025

Case Category (Financial Savings)	Number of cases	Total amount
Blue Badge Parking Charges	1	£2,340.00
Concessionary Travel	1	£500.00
Council Tax Exemption	2	£3,326.36
Council Tax SPD	8	£8,081.52
Council Tax Support	8	£30,396.10
Council Tax support – Penalty	2	£749.30
Empty Homes Bonus	92	£189,980.00
Parking Permit Cancellation	1	£2,340.00
Case Category (Notional Savings)	Number of cases	Total amount
Housing Application	2	£63,875.00
Possession of LCC Property	6	£285,150.00
Right To Buy	13	£616,340.00
School Place - Secondary	14	£274,232.00
Totals	150	£1,477,310.28

5. Financial, legal, and other implications

5.1 Financial implications

Fraud can cause the Council significant loss; hence activity to prevent and detect fraud is a clear financial investment and a key component of good financial control and governance.

Stuart McAvoy, Head of Finance
18 November 2025

5.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia, City Barrister & Head of Standards
18 November 2025

5.3 Equalities implications

5.4 Climate Emergency implications

5.5 Other implications

6. **Background information and other papers:**

- Local Government Act 1972
- Leicester City Council's Anti-Fraud, Bribery and Corruption Policy
- Leicester City Council's Finance Procedure Rules
- Leicester City Council's Constitution
- Leicester City Council's Code of Conduct for Behaviour at Work
- Leicester City Council's Information Security Policy Statement
- Leicester City Council's Prosecutions Policy
- Leicester City Council's Investigators Code of Conduct
- Public Bodies Corrupt Practices Act 1889
- Chartered Institute of Public Finance & Accountancy (CIPFA) publication *Managing The Risk of Fraud*
- The Prevention of Social Housing Fraud Act 2013

7. **Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

8. **Is this a "key decision"?**

No