

Cambridgeshire County Council

Counter Fraud Strategy

2025 - 28

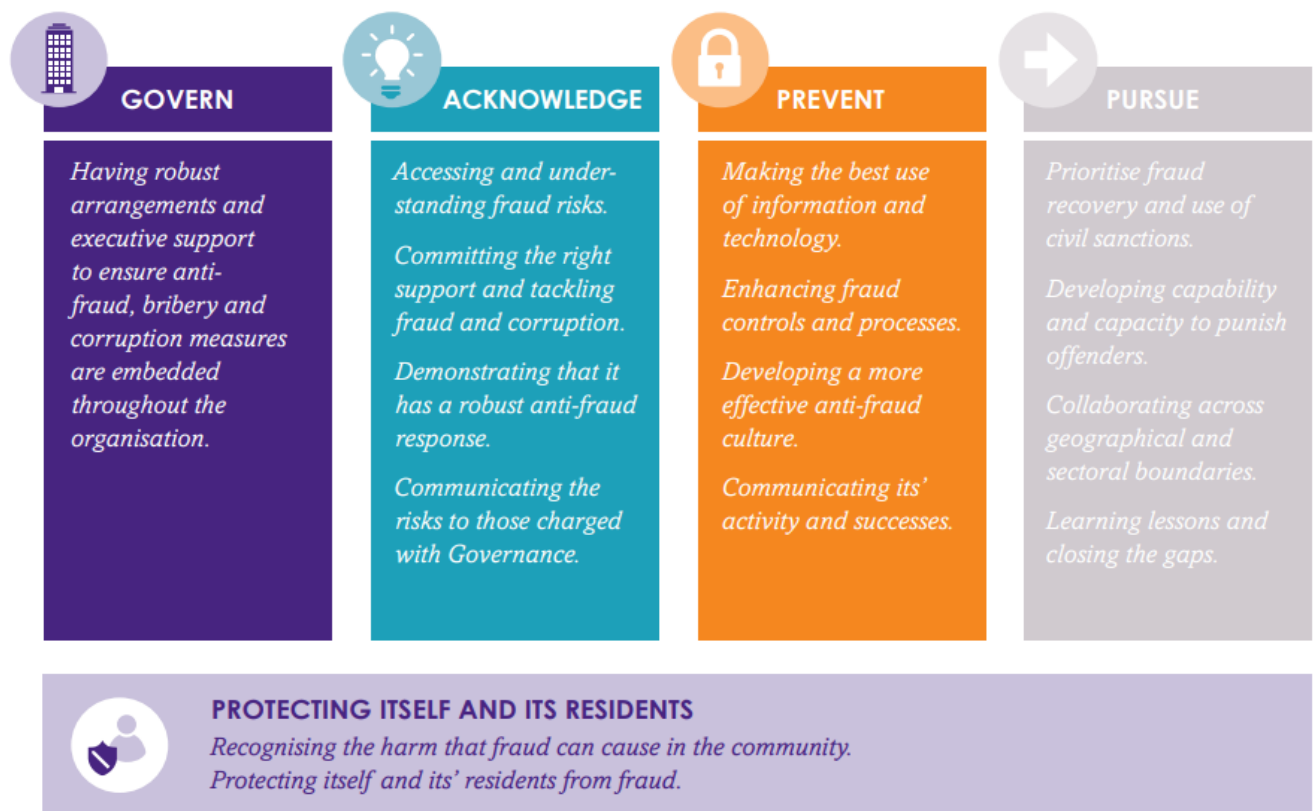
1. Introduction

- 1.1. Cambridgeshire County Council maintains an Anti-Fraud and Corruption Policy which sets out the corporate approach to suspected fraud, theft, corruption and bribery. It explains how the Council seeks to maintain an anti-fraud culture, with zero tolerance for fraud and corruption.
- 1.2. This Counter Fraud Strategy has been developed taking into account the *Fighting Fraud & Corruption Locally (FFCL) Strategy* developed by the Local Government Association in collaboration with CIFAS; and the *Building a Counter Fraud Strategy: Practice Note* published by the Government Counter Fraud Profession (GCFP) Centre of Learning. It seeks to augment the implementation of the Anti-Fraud and Corruption Policy, by setting out a three-year plan of work to ensure that:
 - The Council maintains a robust anti-fraud culture, with officers across the organisation aware of the Council's anti-fraud policies and how to report concerns about fraud, theft or corruption.
 - The Council undertakes proactive measures to identify fraud risk, as well as to prevent and detect fraud and corruption.
 - The Council's response to suspected or alleged fraud is consistent, proportionate, and in line with available resources.
- 1.3 This Counter Fraud Strategy seeks to cover all forms of 'economic crime', a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator, or cause loss to others. As such, the strategy seeks to provide a comprehensive response to economic crimes including fraud, theft, corruption, bribery and money laundering.

2. Principles of the Strategy

2.1. The FFCL Strategy outlines four strategic principles for effective fraud management, together with the overarching principle of ‘Protect’. This Counter Fraud Strategy is therefore aligned to these key principles, and demonstrates how Cambridgeshire County Council embeds these principles in its anti-fraud and corruption work, as well as outlining how the Council plans to further develop its anti-fraud and corruption regime.

Table 1: Key Principles of Fighting Fraud & Corruption Locally:



2.2 For each of the principles outlined above, this Strategy includes an assessment of the Council’s current position, as well as an action plan to strengthen Cambridgeshire’s fraud prevention and detection framework.

3. Background, Context & Key Risks

3.1 Fraud and corruption undermines the Council’s ability to achieve its objectives, by diverting resources from legitimate activities and reducing the finances available to provide services. This can in turn have a substantial impact on

residents, businesses, and vulnerable individuals across Cambridgeshire. Fraud and corruption can also damage public confidence in the Council.

3.2 Fighting Fraud & Corruption Locally (FFCL) identifies a range of key fraud and economic crime risks for public authorities. The most relevant risk areas for Cambridgeshire County Council are highlighted in the table below, with an explanation of some ways in which these areas may be exploited by fraudsters:

Fraud risk area	Nature of risk
Social care fraud, including personal budgets, direct payments and financial assessments	Overstatement of needs through false declaration, multiple claims across authorities, third-party abuse by carer, family or organisation, posthumous continuation of claims, deprivation of assets, false declarations of eligibility for funds or services
Procurement, Commissioning and Contracts fraud	Conflicts of interest or collusion in tendering or award processes, bid-rigging, split contracts, double invoicing, over-billing, under-delivery of services, manipulation of performance data by contractors
Payroll fraud	False employees, false or inflated overtime claims/timesheets, false expenses and allowances claims, polygamous working frauds, identity thefts
Internal Fraud	Diverting council monies to a personal account, misallocating or misappropriating council assets for personal gain;
Insurance fraud	False insurance claims
Grant fraud	Work not carried out by organisations in receipt of grant funding, funds diverted, false applications for grants or ineligibility not declared
Concessionary travel schemes and Blue Badges	Use of concession by ineligible persons (including freedom passes), use of counterfeit/altered badges, use of Blue Badge when disabled person is not in the vehicle, use of a deceased person's Blue Badge, badges issued to institutions being misused by employees
Pensions fraud	False claims, posthumous continuation of pension payments,
Payables fraud	Bank mandate fraud, false invoicing, manipulation of the payment system, misuse of purchase cards
Money laundering	Exposure to laundered funds particularly via property transactions or large cash payments, Council service users may be targeted by money laundering networks
Bribery & Corruption	Nepotism or favouritism within processes (for example recruitment, grant award, procurement, etc),

Fraud risk area	Nature of risk
	officials accepting inducements to provide preferential treatment, fraud by abuse of position
Cyber crime and cyber-enabled fraud	Phishing, ransomware and other cyber-enabled attacks targeting Council systems
Theft	Theft especially of petty cash or floats in services which require the use of cash e.g. supported living, libraries, etc.
Schools	Schools are susceptible to many of the types of fraud risk outlined above but manage these risks locally on their own systems (e.g. payroll etc). Additionally schools are exposed to admissions fraud.

4. Principles of the Strategy

4.1 Principle 1: Govern

“Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.”

4.1.1 Cambridgeshire County Council has robust arrangements and executive support to ensure counter fraud, bribery and corruption measures are embedded throughout the organisation. The arrangements in place are set out in our strategic policies which establish clear roles and responsibilities for the prevention, detection, reporting and investigation of suspected fraudulent activity. These policies are monitored and reviewed by the Council’s Audit & Accounts Committee on a regular basis:

- The Anti-Fraud & Corruption Policy
- The Anti-Money Laundering Policy
- The Whistleblowing Policy

4.1.2 These strategic policies and procedures are complemented by Cambridgeshire County Council policies at all levels which include key controls to prevent or detect fraud and corruption, including:

- Officer and Member Codes of Conduct
- Financial Regulations & Scheme of Delegations
- Contract Procedure Rules

- 4.1.3 The Internal Audit & Risk Management team has supported the development of service-specific counter fraud policies in areas of the Council at higher risk, including the Direct Payments Fraud and Misuse Policy and is currently working alongside colleagues from HR and Legal and Governance to develop a new policy for dealing with suspected dual/polygamous working fraud.
- 4.1.4 New officers and Members are made aware at induction of their responsibilities and standards of behaviour required, which are documented within the Codes of Conduct. The Council also has an eLearning module on Whistleblowing & Fraud which all colleagues are required to complete when they join the Council, and which ensures that employees are aware of how to identify and report concerns about suspected fraud, theft or corruption. Anti-Money Laundering Elearning is also available for relevant staff.
- 4.1.5 Regular reporting on whistleblowing and alleged fraudulent activity is provided to CLT and the Audit & Accounts Committee via Internal Audit Progress Reporting, with an annual overview given in the Annual Whistleblowing Report. This is complemented by an annual awareness-raising campaign on fraud and whistleblowing, run by the Internal Audit & Risk Management team.
- 4.1.6 The following key actions have been identified to strengthen organisational governance for counter fraud as part of this strategy:

Actions	Responsible Officer	Target Date
Anti-Fraud & Corruption Policy and Anti-Money Laundering Policy to be reviewed and re-presented to the Audit & Accounts Committee in 2025/6.	Head of Internal Audit & Risk	31 st March 2026
Internal Audit & Risk Management team to update Manager's Whistleblowing Guidance.	Head of Internal Audit & Risk	31 st March 2026
Include reporting against the <i>Fighting Fraud & Corruption Locally Checklist</i> within the Annual Whistleblowing Report.	Head of Internal Audit & Risk	30 th November 2025

4.2 Principle 2: Acknowledge

“Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.”

- 4.2.1 The Council has a robust risk management policy framework with a clear risk assessment and monitoring process for all risks. The “risk that the Council is a victim of theft, fraud or corruption” is captured and monitored as part of the Strategy & Partnerships Directorate Risk Register. The risk is regularly reviewed and updated as part of ongoing risk management processes.
- 4.2.2 Service-specific risks around fraud are captured and monitored locally within corporate and directorate level risk reporting; particularly Risk 8 on the Corporate Risk Register (“the risk that the Council is a victim of cyber crime”). Cambridgeshire also completed a comprehensive Anti-Money Laundering Risk Assessment in 2022.
- 4.2.3 Currently Cambridgeshire County Council does not have a dedicated counter fraud resource, and counter fraud and investigations work is managed within the Internal Audit team. In 2024/5, two members of the team undertook the Accredited Counter Fraud Specialist (ACFS) training programme, and the intention is to continue to offer training within the team to enhance the Council’s ability to undertake specialist investigations.
- 4.2.4 The following key actions have been identified to strengthen the understanding of fraud risk and the capacity and capability to undertake counter fraud work at Cambridgeshire County Council:

Action	Responsible Officer	Target Date
The Corporate Risk Manager will write to the Corporate Leadership Team and Extended Leadership Team to request that risk owners carry out a review of the management of fraud risk for all the processes that they are responsible for and to ensure that fraud risks and controls are appropriately reflected in service and Directorate level risk registers. This will include information on the new Failure to Prevent Fraud offence and the need to manage this risk in contractor providing services on behalf of the Council.	Corporate Risk Manager	30 th September 2025
A training session on identifying and managing fraud risk will be delivered to the Corporate Risk & Performance Group.	Corporate Risk Manager	31 st December 2025
Internal Audit & Risk Management Team to use the information collated to facilitate an updated Fraud Risk Assessment for Cambridgeshire County Council.	Head of Internal Audit & Risk	31 st March 2026

Action	Responsible Officer	Target Date
Conduct a full review of the Council’s Money Laundering Risk Assessment and produce a report with any recommended actions.	Head of Internal Audit & Risk	31 st March 2027
Two further members of the Internal Audit & Risk Management team to complete specialist fraud investigations training.	Head of Internal Audit & Risk	31 st March 2027
Access to accredited financial investigator resource for counter fraud purposes to be established ideally via new in-house Trading Standards team.	Head of Internal Audit & Risk	31 st March 2027

4.3 Principle 3: Prevent

“Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.”

- 4.3.1 The Internal Audit & Risk Management team co-ordinate and support the Council’s response to the National Fraud Initiative, a government-led data matching exercise designed to detect and prevent fraud in the public sector. Cambridgeshire County Council also works with the District Councils across Cambridgeshire to support the identification and investigation of fraud and error in council tax discounts.
- 4.3.2 The Internal Audit & Risk Management team consider fraud risk in all their audit reviews and recommend ways to strengthen the Council’s system of control to prevent and detect fraud wherever appropriate. In recent years this has led to the implementation of new anti-fraud policies such as the Direct Payments Fraud & Misuse Policy and enhanced checks on requests to change supplier bank details, as well as the introduction of new tools such as the use of Confirmation Of Payee software in financial systems.
- 4.3.3 Additionally, the Council’s Whistleblowing Policy sets out clear arrangements which allow officers, Members, contractors and third parties to raise concerns about possible fraud and corruption with the Council which are then triaged and investigated by the Internal Audit & Risk Management team.
- 4.3.4 The following actions have been identified to strengthen Cambridgeshire’s fraud prevention capability as part of this Strategy:

Action	Responsible Officer	Target Date
Explore possible corporate membership of organisations such as the Cifas National Fraud Database/the National Anti-Fraud Network (NAFN) and the benefits this may bring in terms of counter fraud intelligence and cyber crime alerts.	Head of Internal Audit & Risk	31 st March 2026
Conduct a review of the FFCL Adult Social Care Fraud Toolkit against current arrangements at CCC to assess whether there are any recommendations to strengthen the Council's fraud prevention and detection controls in relation to Adult Social Care.	Head of Internal Audit & Risk	31 st March 2027
Conduct a review of the controls in place to manage the risk of procurement fraud with regard to the Procurement Fraud Review checklist and the Procurement Fraud & Corruption Risk Matrix published by the MHCLG.	Head of Internal Audit & Risk	31 st March 2028
Work with colleagues in Customer & Digital Services to review data analytics and other tools that may be available to support counter fraud and fraud detection work at Cambridgeshire.	Head of Internal Audit & Risk	31 st March 2028

4.4 Principle 4: Pursue

“Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.”

- 4.4.1 Cambridgeshire County Council has set a zero tolerance stance on fraud and corruption as part of its Anti-Fraud & Corruption Policy. Suspected fraud is reported to the Internal Audit & Risk Management team, who conduct a fraud referral assessment to identify next steps. This may include a full investigation by the team; an investigation by the identifying service with support/advice from the team; referral to the relevant investigating authority where relevant; etc. In undertaking investigations, the Internal Audit & Risk Management team consider relevant legislation and internal policies, including the Regulation of Investigatory Powers Act Policy, and issue recommendations to address any weaknesses identified in the Council's systems of control.
- 4.4.2 When submitting an investigation report, investigating officers will make a recommendation regarding referral to the police, which will be discussed and agreed with the Service Director: Legal & Governance and the relevant Executive Director in line with the Anti-Fraud & Corruption policy. Where

relevant, other actions will also be recommended and pursued (e.g. civil recovery, referral to professional registration bodies, disciplinary, etc.) as appropriate.

- 4.4.3 The actions outlined against Principle 2 above regarding developing expertise within the Internal Audit & Risk Management team will also support the Council's ability to effectively investigate and pursue fraud.

4.5 Principle 5: Protect

“Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. For a local authority this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.”

- 4.5.1 Cambridgeshire County Council is committed to collaborating with other local authorities and law enforcement agencies to support the prevention and detection of fraud. The Internal Audit & Risk Management team share intelligence and findings internally within the Council to allow Cambridgeshire to continuously strengthen its controls to prevent and detect fraud.
- 4.5.2 It is envisaged that this Strategy will continually evolve as the Council gains a better understanding of the potential emerging threat from fraud and corruption, implements actions from the strategy itself, and as new and existing partnerships develop. As such, a key action remains to keep the Strategy under review and refreshed in light of emerging risk.

Actions	Responsible Officer	Target Date
Refresh the Counter Fraud Strategy and re-present to Audit & Accounts Committee alongside the Annual Whistleblowing Report.	Head of Internal Audit & Risk	30 th November 2026

