

Blaby District Council

Audit and Corporate Governance Committee

Date of Meeting 27 April 2026
Title of Report **Annual Fraud Report 2025/26**
Report Author Finance Group Manager

1. What is this report about?

- 1.1 The purpose of this report is to provide assurance that the Council continues to maintain strong, proactive arrangements to prevent, detect, and respond to fraud and corruption, and to bring to members attention any fraud referrals received in the year.
- 1.2 The report also provides members with details of the new corporate offence introduced by the Economic Crime and Corporate Transparency Act 2023 (ECCTA) in September 2025, a self-assessment of the Council's fraud prevention arrangements currently in place, as well as highlighting potential areas for improvements.
- 1.3 As part of the consideration of these arrangements, the Whistleblowing policy, Anti-Fraud and Corruption policy, and Anti-Money Laundering Policy have been reviewed and updated.

2. Recommendation(s)

- 2.1 To consider and accept the Council's self-assessment against the six principles of 'reasonable prevention' for the new offence of 'failure to prevent fraud' and improvement planned.
- 2.2 To review and approve the updated Anti-Fraud and Corruption policy, Whistleblowing policy and Anti-Money Laundering Policy.

3. Reason for Decision(s) Recommended

- 3.1 The high-level focus on the adequacy of governance, risk and control arrangements is a key responsibility of the Audit and Corporate Governance Committee. The Committee are also required to maintain an overview of the Whistleblowing Policy, and to monitor the Anti-fraud & Corruption Policy.

4. Matters to consider

4.1 Background

Local authorities are responsible for the effective stewardship of public money and for safeguarding against losses arising from fraud and corruption. Blaby District Council maintains a zero-tolerance stance on fraud and corruption and is committed to the prevention, detection and investigation of Fraud and Corruption.

The Council has 3 policies in place which have been adopted and support the Councils commitment to prevent, detect and investigate fraud.

The Whistleblowing policy plays a key role in supporting our employees, members, suppliers and others working with the Council to raise concerns, providing confidential reporting routes and assurance of protection against victimisation.

The Anti-Fraud and Corruption Policy sets out the zero-tolerance approach to preventing, detecting, and investigating fraud and corruption by requiring all members, employees, and partners to act honestly, report concerns, and cooperate with proportionate investigations, including referral to the police where appropriate.

The Anti-Money Laundering Policy sets out proportionate safeguards to prevent the Council being used for money laundering or terrorist financing, requiring employees and Members to remain vigilant, identify and report suspicions promptly, and comply with relevant legislation and reporting arrangements.

Any fraud reported during the year is recorded and investigated. During 2025/26 there have been 4 reports of suspected fraud during the year. 1 was upheld, 2 which were not upheld, and 1 is currently being investigated, and Internal Audit have been consulted. The table below provides high level detail of the reported fraud instances.

Source	Nature of Fraud	Value	Upheld Yes/No
NFI Data Match	Council Tax Support and Benefit Fraud	£4,648.53	Yes, CTS cancelled & DWP informed
Member of Staff	Credit Card Fraud	£200.00	No
Member of Public	Falsification of documents relating to Planning Application & Consultation	N/A	No
NFI contact from Local Authority	Employment Fraud	TBC	Under investigation

In addition whistleblowing reports are also recorded and investigated. During the year there have been 4 whistleblowing instances that have been reported and investigated. The table below provides high level detail of the reported whistleblowing instances.

Source	Nature of Fraud	Value	Upheld Yes/No
Member of Staff	Using company asset for personal gain.	Under £3k	Yes, disciplinary action taken and dismissal of staff member.
Member of Staff	Personal use of vans and waste licence validity.	N/A	Investigation, not upheld.
Member of Staff	Personal use of van.	N/A	Investigation, not upheld.
Member of Staff	Using company asset for personal gain.	N/A	Partly upheld, disciplinary action taken and sanction given.

In September 2025 the Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence of *failure to prevent fraud*, under which an organisation may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. This new legislation places the responsibility on the Council to ensure they have designed and adopted appropriate procedures.

Government guidance highlights six core elements that constitute “reasonable procedures”:

1. Top level commitment,
2. A structured fraud risk assessment,
3. Proportionate prevention controls,
4. Due diligence on associated persons,
5. Clear communication and training, and
6. Ongoing monitoring and review.

In order to comply with the Act, the Council must prove that they have taken reasonable steps to prevent fraud.

Following the new corporate offence introduced, and as the Council continue to strengthen its governance, risk management, and internal control environment, officers have conducted a review of the policies in place, and the current practices undertaken to prevent fraud. This has been compared to the Economic Transparency Act 2023. Findings are included at Appendix A including recommended actions.

The following policies have also been reviewed and revisions made where necessary -

- Whistleblowing policy (Appendix B)
- Anti-Fraud and Corruption policy (Appendix C)
- Anti-Money Laundering Policy (Appendix D)

Officers are currently looking into joint working with other Authorities on additional Counter Fraud Work.

5. What will it cost and are there opportunities for savings?

5.1 It is anticipated that the current budget available will be sufficient to cover external training costs.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If the Council does not have appropriate procedures adopted, following the new legislation the Council may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation	Procedures are in place and adopted by the Council, with regular review, and revisions made where required, which are brought to Audit and Corporate Governance Committee.

7. Other options considered

7.1 None. If the Council did not implement any measures to address the risk of fraud it would leave the Council in a vulnerable position.

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

- 9.1 Appendix A – Fraud Prevention Self-Assessment
- 9.2 Appendix B – To follow
- 9.3 Appendix C – Anti-Fraud and Corruption Policy
- 9.4 Appendix D – Anti-Money Laundering Policy

10. Background paper(s)

None.

11. Report author's contact details

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