

Appendix 1 – Counter Fraud & Investigations 2025/26 mid-year update

2025/26 reporting year

During the 2025/26 reporting year the Counter Fraud & Investigations team's key focus is on the following areas:

- Responding effectively to the new Failure to Prevent Fraud legislation, introduced under the Economic Crime & Corporate Transparency Act 2023.
- Delivery of fraud risk workshops.
- The launch of a new, immersive, fraud awareness eLearning and the delivery of face-to-face fraud awareness training.
- Matching of social housing data against credit reference agency data to identify fraud and misappropriation.
- Supporting the ongoing development of the London NFI Fraud Hub and making best use of the Fraud Hubs technology to detect and prevent fraud.
- Delivery of the Speak Up Policy, Procedure & Portal
- Launching the revised Anti-Fraud & Corruption Strategy
- Ensuring the timely conclusion of all investigations undertaken by the team and achieving positive outcomes.

Delivery against these key milestones is summarised below.

Failure to Prevent Fraud legislation, introduced under the Economic Crime & Corporate Transparency Act 2023

On 01 September 2025, the Economic Crime & Corporate Transparency Act 2023 (ECCTA) Introduced an offence of failure to prevent fraud. This offence applies to specific offences such as false accounting, fraud and obtaining services dishonestly, and is applicable to 'large organisations', broadly falling within the following criteria:

1. Employing more than an average of 250 employees
2. Having more than £36 million turnover
3. Holding more than £18 million in assets in its balance sheet

Under ECCTA criminal liability under failure to prevent legislation broadly rests with senior managers of an organisation as a person who plays a significant role in:

- the making of decisions about how the whole or a substantial part of the activities of the organisation are to be managed or organised; or
- the actual managing or organising of the whole or a substantial part of those activities.

For the City of London Corporation, senior officers under the Future Ambition 18 initiative, should be broadly considered as a senior manager in scope under ECCTA.

Fraud Risk Workshops

Whilst workshop planning and began during the 2024/25 reporting year in response to the failure to prevent fraud legislation, the team has significantly increased its focus in this area over the past six months, and has been focused on engaging with senior officers and those in scope under the legislation to seek to ensure that risks are effectively communicated, and that reasonable and adequate responses are in place across the organisation to respond to this new legislation.

For the year to date, eight fraud risk workshops have been delivered to the following teams.

Month	Team
April 2025	City of London School (as part of whole school INSET Day)
April 2025	Temporary Accommodation & Homelessness
June 2025	Transactional Finance (Accounts Payable)
June 2025	Transactional Finance (Housing Benefits & Council Tax)
August 2025	Chamberlain's Business Support & Chamberlain's Court
September 2025	City Surveyors Senior Leadership Team
October 2025	Environment Assistant Directors
October 2025	City Surveyors – Investment Property Group

These workshops are intended to result in the development of local fraud risk universe registers, maintained and reviewed locally by management.

Following engagement with the Corporate Strategy and Performance Team we have agreed and communicated through these workshops that only those fraud risks that need to be managed down should be recorded on the corporate risk system, Ideagen. The team will support and advise accordingly as appropriate.

Further fraud risk workshops are scheduled and planned throughout the second half of this reporting year, with the aim of producing a high-level organisational fraud risk assessment for the City Corporation, which will be presented to the Executive Leadership Board in due course; we will, likewise, present this, along with updates against the workshop program, to Members of this Committee as part of future Counter Fraud & Investigation update reports.

Fraud Awareness Training and Fraud Awareness eLearning

To complement the work summarised above and provide additional skills to all colleagues, a new, replacement fraud awareness eLearning course has been developed and recently launched on SAP. This new fraud awareness eLearning package strengthens our counter fraud toolkit and delivers generalist fraud awareness training with a focus on the fraud risks faced by the City Corporation, using a mix of immersive technology, interactive exercises and multiple-choice questions to test the learner's knowledge.

In response to the identification of a skills gap, an in person training session was recently delivered to the City of London School and City of London School for Girls Finance Team covering Anti Money Laundering risks; this training, delivered by the team was agreed with the Head of Finance in response to the submission of a suspicious activity report (SAR) to the NCA. The training focused on the risks, red flags, responsibilities and processes in response to money laundering and suspicious payments, the proceeds of crime, and politically exposed persons, linking to the payment of school fees.

Speak Up Policy, Procedure & Portal

The team, in collaboration with People & HR, launched the new Speak Up Policy and Procedure in September this year; this new toolkit replaces the old Whistleblowing Policy and enhances the City Corporation's response to providing effective mechanisms for staff to raise concerns, whilst providing a clear and structured roadmap to reporting suspected fraud, misappropriation and wrongdoing, ensuring that effective safeguards exist in line with the Public Interest & Disclosure Act for those concerns that satisfy the test for a protected disclosure.

The new Speak Up portal and case management system compliments this new approach to managing concerns at the City Corporation. We recognise that a potential barrier to staff speaking up has been a fear of reprisals and introducing the Speak Up Portal seeks to further mitigate this by providing staff with an electronic form that works across any device, and the ability to remain anonymous, whilst allowing investigators to maintain dialogue throughout the lifecycle of a concern, regardless of whether the concern was raised anonymously or not. This innovative functionality is expected to provide more confidence to staff that their concerns are treated seriously, by allowing for questions to be posed following receipt of an anonymous concern, and responses and additional information/evidence to be provided whilst retaining that anonymity.

In addition to the above, effective Speak Up arrangements are a key tool to supporting an effective response to Failure to Prevent Fraud legislation.

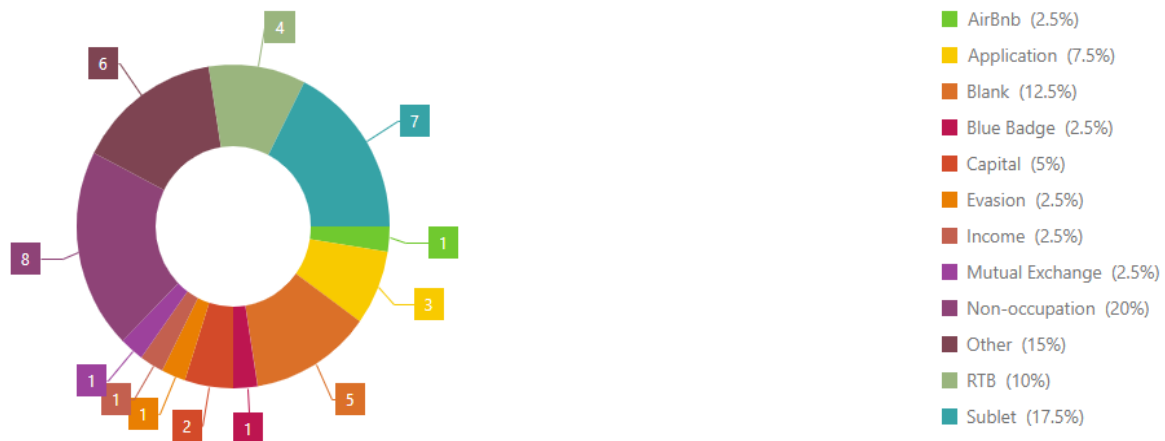
The volume of Speak Up concerns have been low during the first half of the 2025/26 reporting year, however this was anticipated as we transitioned to our new approach, with one case relating to grant funding by City Bridge Foundation (CBF), which remains subject to review by CBF management, with support provided as necessary by the team.

Investigation Activity

The graph below provides a summary of the volume of investigations carried out by the Counter Fraud team during the first six months of the 2025/26 reporting year. A total of 40 cases have been raised by the team during this period, with social housing tenancy fraud remaining the biggest fraud type investigated by the team, with non-occupation (20%) investigations, and subletting (17.5%) investigations accounting for 15 cases alone. Other

notable cases include a small business rates relief fraud investigation and a dishonest right to buy fraud investigation, where intervention by the team resulted in the cancellation of a right to buy application and £136,000 discount award.

Count of Cases by Type

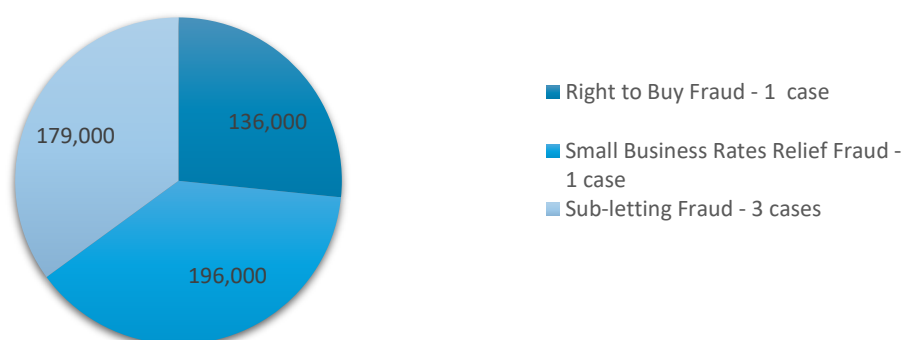


20 cases from the previous reporting year remain under investigation, and along with the 19 active cases still under investigation from this reporting year, as at 30 September 2025, the team's active investigation caseload amounts to 39 active fraud investigations.

The team has recovered £196,000 from a small business rates fraud investigation during this reporting year to date, whilst three tenancy related investigations have resulted in notional savings of £315,278. One further investigation has resulted in a housing application being declined, and another three investigations resulted in management actions.

The chart below summarises the cases where a value can be associated

Outcomes YTD 2025/26



Social Housing Tenancy Fraud

Credit Reference Agency Data Matching

The team has commenced a proactive exercise matching tenant data against credit reference agency data to identify potential fraud. The exercise has flagged 1,335 records where tenant data has matched against credit reference agency data and may require some intervention.

A summary of the output can be found in the table below.

Number of Cases	1,867	
Worklist	Frequency	Percent
01 - Very High Risk	14	0.7%
02 - High Risk	13	0.7%
03 - Medium Risk	60	3.2%
04 - Low Risk	472	25.3%
05 - Very Low Risk	645	34.5%
06 - Tenant is potentially deceased	6	0.3%
07 - Tenancy address not found	0	0.0%
08 - Tenancy address empty	33	1.8%
09 - Declared cohabiter(s) not found at address	68	3.6%
10 - Undeclared cohabiter is potentially an alias of the tenant	17	0.9%
11 - The supplied DoB differs to the one held by Experian	7	0.4%
NIL	532	28.5%

The team are focused on reviewing the 27 very high risk and high-risk matches; and within the first three weeks of working on these matches the team has successfully secured the recovery of one social housing property obtained by deception, where the tenant failed to declared home ownership.

Full Tenancy Audit

A full tenancy audit consisting of in person visits to all City Corporation social housing tenants is commencing in the New Year; whilst the primary aims of the tenancy audit are housing management related, this activity is likely to identify social housing tenancy fraud concerns, and the team are working with the tenancy audit team to ensure that visiting officers have the skills to identify red flags and know how to respond and to report these for further investigation, to support this the team are currently developing a tenancy fraud and document fraud awareness training session for face to face delivery prior to commencement of the audit.

The team are also supplying additional tools, including access to the NFI AppCheck system that can assist by providing intelligence on household composition. Access to our electronic report a fraud form will be made available to the tenancy audit team, so that fraud concerns can be reported to the team in real time.

In addition to the above, the team will utilise the credit reference agency output data to support the audit by using intelligence to identify inspections where there may be a fraud risk, and where Counter Fraud team support and/or intervention may be needed during, and post, tenancy inspection.

London NFI Fraud Hub

The team continue to utilise the London NFI Fraud Hub; the pilot conducted last year to identify multiple employment by matching permanent staff, and temporary worker data has now been adopted as a business-as-usual match and is repeated quarterly across all 30 members of the London NFI Fraud Hub. This matching was last undertaken in July and although four matches were returned for the City Corporation, following a detailed review, no concerns were identified and all four matches were closed, thereby, providing a degree of assurance that the City Corporation had no, or a very low, exposure to this risk at that point in time.

Two primary Fraud Hub initiatives for the second half of 2025/26 are both pilot projects; the first is the joining of regional fraud hubs to identify fraud across a wider geographical area, and the second relates to matching temporary accommodation (TA) data against credit reference agency data to identify links to residential addresses not previously declared that may suggest the existence of a dishonest application.

The team is committed to fully supporting both of these pilot exercises with the support of the front-line service teams.