

Counter Fraud

Appendix 2

Local authorities in the UK are legally required to prevent, detect, and investigate fraud under Section 151 of the Local Government Act 1972, which mandates the proper administration of financial affairs. The work of the Counter Fraud team, in identifying key risk areas and poor controls, works alongside our colleagues in the wider Assurance Service to ensure that Havering Council maintains robust systems and processes to protect the Council, its assets, residents and staff, from those that may seek to cause harm, loss or damage, be it financial, reputational or physical. The team provides both reactive and proactive, professional investigative services to identify and address fraud, whilst adapting to an ever-changing risk environment.

The team provides advice, conducts reviews and carries out criminal investigations across a range of areas, including Housing Fraud, Corporate Fraud, Right to Buy Applications, Mutual Exchanges and Successions. The team also handle Data Protection requests, Freedom Of Information requests and manage the National Fraud Initiative exercise.

Referral and preliminary Enquiry stage cases

Number of Cases Open (as at 31st March 2026) including carry over
37

Number of Cases Received between 1st April 2025 and 31st March 2026
64

Number of Cases Closed between 1st April 2025 and 31st March 2026
50

Formal Investigations

Number of Cases Open (as at 31st March 2026) including carry over
90

Number of Cases Opened between 1st April 2025 and 31st March 2026
52

Number of Cases Closed between 1st April 2025 and 31st March 2026
56

Between 1 April 2025 and 31 March 2026, intervention and investigation by the Counter Fraud team resulted in 11 properties being recovered, delivering a notional saving of £861,300. In addition, one Right to Buy application was prevented, achieving a notional saving of £38,000.

Counter Fraud continued - National Fraud Initiative (NFI)

Appendix 2

The National Fraud Initiative (NFI) is a large-scale, biennial data matching exercise led by the Cabinet Office, designed to prevent, detect and recover losses from fraud, error and overpayments across the public sector. It compares datasets from around 1,300 participating organisations, including local authorities, government departments and the NHS. The NFI operates under statutory powers set out in the Local Audit and Accountability Act 2014, ensuring compliance with data protection requirements.

The 2024/25 NFI exercise identified an initial 6800 matches for Havering Council across a number of data sets. These consist of potential mis match, error or fraud. The responsibility for the review and investigation of these anomalies sits predominantly with the relevant service areas. Match reports of a highly sensitive nature or where Fraud is detected are investigated by the Counter Fraud team.

NFI matches compare key datasets (e.g. Blue Badge holders, Council Tax discounts, payroll and pensions) to identify specific risk scenarios such as deceased badge holders, incorrect council tax discounts, or duplicate employment records. These are targeted fraud/error alerts that must be investigated to confirm whether there is genuine loss or control weakness.

London Borough of Havering - Counter Fraud E Learning 2025/2026

To raise awareness and to foster a culture where fraud and corruption can find no foothold, the Counter Fraud team have designed Fraud Awareness and Anti Bribery e-learning training courses, mandatory for staff across the council. It provides vital insight into the key areas that the council may be susceptible to fraud and corruption and who to report concerns to. There are two corporate, mandatory, e-learning course currently available:

- **For all employees** - Understanding Fraud: Identify and Prevent Workplace Fraud
- **For all line managers** - Anti Bribery - The Basics and Fraud: Failure to Prevent

Information is regularly reported on the completion of mandatory training and this is monitored and addressed within the relevant areas.