

# Counter Fraud Arrangements

Neath Port Talbot Council

April 2026



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# Audit snapshot

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## What we looked at

- 1 In 2020, the Auditor General for Wales in his report, [Raising Our Game: Tackling Fraud in Wales](#), made 15 recommendations to improve the way the Welsh public sector tackles fraud. We reviewed the Council's arrangements to prevent and detect fraud against these recommendations. The audit looked at:
  - leadership and culture;
  - risk management and control;
  - policies and training;
  - capacity and expertise;
  - tools and data;
  - collaboration; and
  - governance.

## Why this is important

- 2 The risk of fraud is an increasingly common threat to almost every part of day-to-day living. The risk of fraud is prevalent across all aspects of the public sector. The National Audit Office in its 2024 report [Overview of the impact of fraud and error on public funds](#) highlights the Public Sector Fraud Authority (PSFA) estimate that fraud and error cost the UK taxpayer £55 billion to £81 billion in 2023-24. This suggests that losses through fraud could be significant for all councils.
- 3 Strong counter-fraud arrangements help the Council to protect its funds and maintain public confidence in its management of resources. It also helps to demonstrate the Council is accountable and trustworthy.

## What we have found

- 4 The Council has an anti-fraud strategy which outlines a zero-tolerance approach to fraud. However, this zero-tolerance stance is yet to translate into comprehensive and effective arrangements. At the time of our review, the Council had acknowledged some weaknesses in its counter-fraud arrangements and was working to address these. Importantly, it already has formal plans in place to develop a fraud risk assessment, an anti-fraud plan and a standalone fraud response plan. It was planning to complete these actions by the end of March 2026. This could mitigate against many of the issues we identify in this report.

## What we recommend

- 5 We have made seven recommendations for improvement, which include the Council addressing the gaps identified in its arrangements. Specifically, we also recommend that the Council strengthen its existing arrangements for counter-fraud training, pre-employment checks and publicising proven cases of fraud.

# Our findings

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## Leadership and culture

- 6 The Council's current Anti-Fraud and Corruption Strategy sets out its zero-tolerance stance to fraud. This strategy outlines roles and responsibilities for its counter-fraud arrangements and links to other related policies.
- 7 The Strategic Leadership Team and Governance and Audit Committee (GAC) emphasise the importance of fraud detection. This has led to fraud risks being added to the Strategic Risk Register. This demonstrates the Council's corporate support to the counter-fraud agenda. This culture will be important when implementing the improvements needed to the Council's counter-fraud arrangements.

## Risk management and control framework

- 8 It is important for the Council to assess fraud risk across all service areas, to inform its preventative counter-fraud work. The Council assesses the risk of fraud within its services. In doing so, the Council's Internal Audit Manager works directly with all heads of service, directors and GAC on an annual basis through the risk-based audit planning exercise and shares this information with senior leaders. However, this information is not drawn together with other internal and external fraud risk information, to inform a formal fraud risk assessment. The lack of a comprehensive fraud risk assessment could lead to missing potential fraud risks that need mitigation within the counter-fraud work plan.
- 9 The Council does not have arrangements to ensure that Internal Audit is always engaged to assess new projects and policies for potential fraud risks. Without their involvement, the risk of fraud vulnerabilities in new projects and policies may not be fully considered or identified.

## Policies and training

- 10 The Council's response to identified suspicions of fraud is defined within a range of documents and policies which cover all routes into the process. These arrangements could be strengthened if the Council introduced a single fraud response plan, which the Council intends to achieve by March 2026.
- 11 We found opportunities to strengthen the Council's provision of counter-fraud training. It provides online training for its staff and councillors. By the start of October 2025, ten months after being introduced, 850 (13%) of its total 6,500 staff had completed the counter-fraud training. The training is not mandated, and at this current rate the Council would take over six years to train all staff. It has not set out a target for completion or coverage, and neither does it prioritise the training to staff in roles where fraud is a higher risk.
- 12 It is important that staff and councillors receive regular training on the Council's counter-fraud arrangements. This will reinforce its zero-tolerance to fraud and help to keep staff and councillors aware of counter-fraud arrangements. It will also remind them of their responsibilities to help guard against fraud risks.
- 13 Before allowing new employees to begin work, the Council completes a series of pre-employment checks, set out within its Safe Recruitment Policy. However, these pre-employment checks do not have a specific counter-fraud focus. Also, the Council has not evaluated all posts and roles within the organisation to identify those with a greater fraud risk. Extending its pre-employment checks could further strengthen the Council's preventative counter-fraud arrangements.

- 14 Positively, we found examples of the Council publicising cases of detected fraud and successful prosecutions. However, this was on a case-by-case basis and was not supported by formal arrangements setting out the Council's expectations. The absence of an agreed approach, combined with the understandable caution of senior officers to publicise some fraud cases, can limit deterrence and public awareness of the Council's success in detecting fraud.

## Capacity and expertise

- 15 The Council has the appropriate capacity and expertise needed to tackle fraud risks. It has designated a lead officer for counter fraud who is supported by appropriately trained staff that meet recognised professional standards. The Council obtains further support from specialist external contractors for preventative counter-fraud works when required.
- 16 The Council could strengthen its approach by clearly setting out the resources needed for preventive counter-fraud works. Its Internal Audit Plan allocates resources for preventative counter-fraud works, but this lacks detail. Without a specific plan for preventative works that details the necessary resources and delivery timetable, the Council cannot be assured that counter-fraud preventative works will be completed. It is important that the plan for counter-fraud preventative works responds to fraud risks identified in its fraud risk assessment. The Council intends to complete such a plan by the end of March 2026.

## Tools, data and collaboration

- 17 The Council has established arrangements, including Memoranda of Understanding, to share fraud intelligence with public sector partner organisations. For example, these cover the Department for Work and Pensions, the Driver and Vehicle Licensing Agency, and the Cabinet Office.

- 18 The Council uses data analytics and recognised methodologies, including the National Fraud Initiative (NFI), to quantify potential losses from fraud, for example, when calculating fraudulent housing benefit claims. This could be further strengthened by aggregating its calculated fraud losses. This could help the Council to identify where the impact of fraud is greater and allow it to allocate resources to impact this.
- 19 The Council's Internal Audit service sometimes evaluates fraud events after investigations have been completed. This approach supports learning and identifies resourcing needs. However, we found opportunities for the Council to improve the consistency of its post-fraud event evaluations. This can help to strengthen assurance and capture opportunities for improvement.

## Governance

- 20 The Council's GAC maintains an oversight of the Council's counter-fraud activity. GAC receives investigation updates four times a year. It also receives regular updates from Internal Audit on activity and progress against fraud targets within its Quality Assurance and Improvement Programme. The Council's NFI checklist is also reported to GAC, and fraud-related items in the corporate risk register are also updated and reported.
- 21 However, the lack of a comprehensive fraud risk assessment and counter-fraud plan for preventative work limits the assurance that GAC can take that the Council's counter-fraud arrangements are fully effective. Its oversight will be important as the Council addresses these gaps and implements the planned improvements to its counter-fraud arrangements.

# Recommendations

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At the time of our audit, the Council had acknowledged some weaknesses in its counter-fraud arrangements and was working to address these. Importantly, it already has formal plans in place to develop a fraud risk assessment, an anti-fraud plan and a standalone fraud response plan. It was planning to complete these by the end of March 2026.

- R1** The Council should develop a comprehensive fraud risk assessment to identify the risks facing the Council across its services (**paragraph 8**).
- R2** The Council should strengthen existing arrangements by formalising the involvement of counter-fraud staff when the Council introduces or changes policies and systems to ensure the fraud risk is assessed and addressed (**paragraph 9**).
- R3** The Council should develop a standalone fraud response plan to identify how it should respond to all identified suspicions of fraud or corruption (**paragraph 10**).
- R4** The Council should ensure that all staff and councillors are aware of the Council's arrangements, understand the risks and their responsibilities through proportionate counter-fraud training (**paragraphs 11-12**).

**R5** The Council should review pre-employment checks to assure itself that there is sufficient and proportionate consideration of counter fraud in its recruitment process (**paragraph 13**).

**R6** The Council should strengthen existing arrangements to maximise the deterrence of fraud by clearly setting out the Council's approach for publicising cases of proven fraud (**paragraph 14**).

**R7** The Council should develop an anti-fraud plan covering preventative works. This should clearly set out its priorities, responsibilities and the resource needed to respond to the risks in its fraud risk assessment (**paragraph 16**).

# Appendices

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# 1 About our work

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## Scope of the audit

We audited the Council's counter-fraud arrangements. This included examining policies, procedures and operational practices.

The fieldwork took place during November 2025.

## Audit questions and criteria

### Questions

The questions covered key areas including:

- leadership and culture;
- risk management and control framework;
- policies and training;
- capacity and expertise;
- tools and data;
- collaboration; and
- governance.

### Criteria

We based our assessment on recognised standards and statutory guidance, including:

- recommendations within the 'Raising our Game' Tackling Fraud in Wales, July 2020 report as a basis for proper counter-fraud arrangements;
- previous Audit Wales local reviews into counter fraud; and
- reflecting on the principles within the Audit Wales Counter fraud Arrangements in the Welsh Public Sector report, particularly key components of an effective counter fraud culture.

## Methods

We used two methods to gather evidence:

- **Document review** – We examined internal documents, including the Council's strategy and protocol on Counter fraud, policies, guidance, performance reports, and Internal Audit documentation. These helped us understand the Council's governance arrangements, its operations and compliance.
- **Interviews** – We held structured interviews with staff and councillors involved in oversight and management of counter-fraud arrangements, including senior officers. These discussions helped us understand how policies and procedures work in practice.

## 2 About us

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