Audit and Governance Committee
3 August 2026
Annual Fraud and Protected Disclosures (Whistleblowing) Report
For Review and Consultation

Cabinet Member:
Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s):

Senior Leadership Team:
J Mair - Director, Assurance and Governance

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Statutory Authority:

Report status: Public Choose an item.

1. **Executive summary**

1.1 The Audit and Governance Committee receives an annual report on fraud and protected disclosures (often referred to as whistleblowing). This provides an update on the Councils approach to combatting the fraud risk, and a summary of cases reported in the preceding twelve months.

1.2 Appendix A contains the anti-fraud action plan, which was initially based on the findings of a maturity exercise last carried out in 2022 by SWAP Internal Audit, but has been updated to reflect further improvement actions identified.

2. **Recommendation(s)**

2.1 The Committee are asked to note the annual update on fraud and protected disclosure activity.

3. **Reason for the recommendation(s)**

3.1 To support the Council's zero tolerance to fraud and other financial crimes.

4. **Summary of Anti-Fraud Initiatives**

4.1 The Audit and Governance Committee approved revised policy frameworks at the August 2025 meeting for i) Counter Fraud and Financial Crime; and ii) Protected Disclosures (Whistleblowing). A minor change was made to the Protected Disclosure policy in May 2026 to reflect changing legislation (Employment Rights Act) that recognised sexual harassment in the workplace as a protected disclosure.

4.2 The Counter Fraud and Financial Crime policy was a refresh of the previous fraud and anti-money laundering frameworks and incorporated the requirements of the Economic Crime and Transparency Act 2023, alongside anti-tax evasion.

4.3 The action plan provides assurance that the Council is compliant with the act, but an assurance piece of work is necessary to determine the extent that it is relevant to each of the companies owned by the Council and provide assurance around compliance. This has been reflected within the fraud management action plan at Appendix A. The fraud risk assessment will need to be updated to reflect the outcomes of this review.

4.4 SWAP Internal Audit were engaged to carry out a review of the Council's anti-tax evasion arrangements which provided a "substantial" audit opinion, with a single recommendation to implement a proportionate training and awareness mechanism. This is currently in development.

4.5 An internal audit has been commissioned to look at how the Council utilises its anti-fraud tools such as CiFAS (Credit Industry Fraud Avoidance System) and the National Fraud Initiative. This work is scheduled for quarter three of 2026/27.

4.6 The e-learning module on whistleblowing has been enhanced, providing separate content for both officers and managers. Periodic communications to staff on whistleblowing helps raise awareness and promote the available training.

5. **Reporting of Fraud and other Protected Disclosures – 2025/26**

5.1 The Public Interest Disclosure Act 1988 protects any whistleblowing worker from reprisal or mistreatment from their employer after raising a concern, where that concern is in the public interest. The Council's Protected Disclosure (Whistleblowing) policy sets out the Council's response to this legislation, and applies to all council employees and other workers; including freelance staff; temporary and agency staff; trainers; volunteers; consultants; and contractors.

5.2 The purpose of the ‘Protected Disclosure’ policy extends beyond fraud to other perceived cases of malpractice, whether behavioural, procedural or in respect of health and safety failings. Whilst a protected disclosure relates purely to council workers, the spirit and procedures of the policy are also applied if contact is made by a contractor or a member of the public.

5.3 The table below sets out whistleblowing and fraud activity during 2025/2026, with seven cases reported in the twelve month period (April 25 to March 26), down from ten in the previous year.

Ref	Category (Alleged)	Reported by	Via	Summary	Status
2025/01	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of Public	Monitoring Officer	Alleged fraudulent claim of working hours	Upheld
2025/02	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Employee	Whistleblowing Hotline	Allegations relating to staff dismissal	Not Upheld
2025/03	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of Public	Monitoring Officer	Alleged unauthorised access to data	Upheld
2025/04	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Member of the Public	Whistleblowing Hotline	Alleged financial exploitation of service user by family member	Not Upheld
2025/05	Financial Irregularities	Employee	Whistleblowing Hotline	Allegation against contractor	Open
2025/06	Malpractice, Negligent, Unprofessional or Unethical Behaviour	Withheld	Monitoring Officer	Allegation against senior officer	Not Upheld
2025/07	Polygamous worker	Third Party Organisation	Monitoring Officer	Alleged undeclared secondary employment	Upheld

5.4 Whilst any issues reported via the whistleblowing hotline or directly to either the Monitoring Officer or Section 151 Officer will be recorded centrally, other issues that could constitute fraudulent activity (for instance those related to staff code of conduct) are investigated and reported separately via Human Resources. At this point in time, this report focuses on issues reported to the Monitoring Officer, the Section 151 Officer or via the whistleblowing hotline.

5.5 Similarly, whilst a number of contacts were received by members of the public via the whistleblowing hotline in relation to alleged fraudulent benefits or council tax claims, these were forwarded to the Revenues and Benefits Team for investigation and are not included in the table above. The following table provides a summary of whistleblowing activity and/or reported fraud across a number of financial years:

Financial Year	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
Upheld	3 (43%)	1 (10%)	2 (14%)	1 (14%)	
Partially Upheld		2 (20%)	3 (21%)		1 (25%)
Not Upheld	3 (43%)	7 (70%)	9 (65%)	6 (86%)	3 (75%)
Ongoing	1 (14%)				
Total	**7**	**10**	**14**	**7**	**4**

6. **Alternative options considered**

6.1 None

7. **Legal considerations**

7.1 Identification of a need to ensure that Council owned companies are reviewed in the context of the Economic Crime and Corporate Transparency Act 2023.

8. **Financial implications**

8.1 Fraud presents a financial risk to the Council which needs to be managed to reduce risk down to an acceptable level.

9. **Natural environment, climate & ecology implications**

9.1 None

10. **Well-being and health implications**

10.1 None

11. **Other Implications**

11.1 None

12. **Risk implications**

12.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Medium

Residual Risk: Medium

13. **Equalities**

13.1 None

14. **Appendices**

14.1 Appendix A – Fraud Action Plan

15. **Background papers**

15.1 None

16. **Report sign-off**

16.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance and Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Portfolio Holder(s).