
Audit & Anti-Fraud Progress Report

1 April 2025 - 31 March 2026

1. INTRODUCTION

- 1.1 The purpose of this report is to present the performance of the Audit & Anti-Fraud Service for the period 1 April to 31 March 2026. It covers the areas of work undertaken, progress with implementing audit recommendations, and information on current developments in the service.
- 1.2 Internal Audit provides an independent, continuous review of key and high-risk activities across the Council. The effectiveness of the Internal Audit function must be monitored and reported to comply with the requirements of the Accounts & Audit Regulations 2015 and to provide the necessary assurance on the adequacy of the Internal Audit service. This report contributes toward meeting these requirements.

2. INTERNAL AUDIT RESOURCES AVAILABLE

- 2.1 The Internal Audit function is an in-house service complemented by specialist IT skills from an external provider. Internal Audit relies on the cooperation of directorates and service-level management to enable us to undertake planned reviews.
- 2.2 The Internal Audit Team is fully staffed. An apprentice joined the team in September 2024 as part of the long-term arrangements to develop the service and plan for the future. We are focusing our resources on the areas that have been agreed with management and which will provide the necessary evidence to support the Corporate Head of Audit, Anti-Fraud & Risk Management's annual assurance statement.
- 2.3 The 2025/26 Audit Plan consisted of 53 audits (of which 11 were schools/children's centres). Seven audits have been deferred or cancelled and one was added since the plan was agreed.

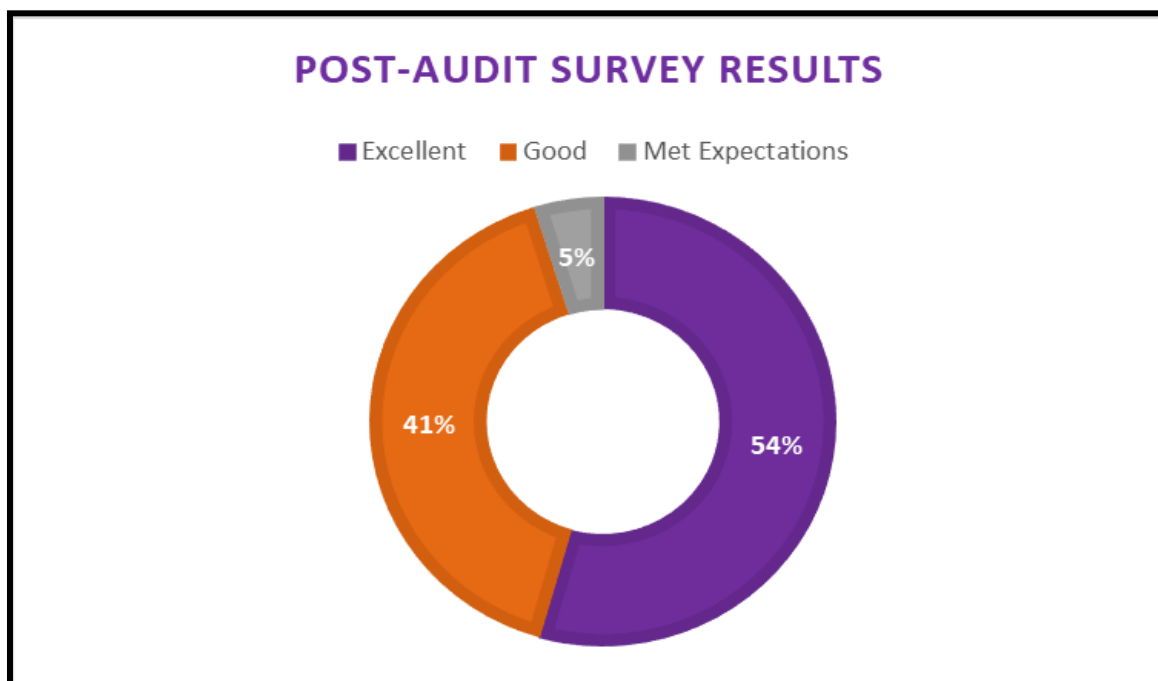
3. INTERNAL AUDIT KEY PERFORMANCE INDICATORS

- 3.1 The internal audit performance for 2025/26 against key indicators is shown in Table 1 below. Post-audit survey results are summarised in paragraph 3.3.

Objective	KPIs	Targets	Actual
Cost & Efficiency <i>To ensure the service provides Value for Money</i>	1) Percentage of planned audits completed to final/draft report stage 2) Average days between the end of fieldwork & issue of the draft report.	1) 80% by year-end 2) Less than 15 working days	1) 66% completed or at draft report stage. (<i>This compares to 66% during the same period in 2025</i>) 2) 10.6 days
Quality <i>To ensure recommendations made by the service are agreed and implemented</i>	1) Percentage of high and medium recommendations made that are agreed 2) Percentage of agreed high and medium-priority recommendations that are implemented	1) 100% 2) 90%	1) 100% 2) High - 45% - fully implemented and 45% partially implemented. Medium - 71% fully implemented and 9% partially implemented.
Client Satisfaction <i>To ensure that clients are satisfied with the service and consider it to be good quality</i>	<ul style="list-style-type: none"> Results of Post Audit Questionnaires 	1) Responses meeting or exceeding expectations	1) 100% met expectations (54% excellent, 41% good and 5% met expectations)

Table 1

- 3.2 As of 31 March 2025, a total of 47 internal audit reviews or projects have been started from the 2025/26 audit plan, 21 have been completed, 10 are at the draft report stage, and a further 16 are work in progress. In addition, 15 reviews carried forward from the 2024/25 annual plan were reported.
- 3.3 Post-Audit Survey results from 1 April 2025 to 31 March 2026 continue to show that overall expectations of auditees are met, with 95% responding that expectations were exceeded, see chart below.



4. SUMMARY OF INTERNAL AUDIT WORK

- 4.1 Progress with 2025/26 planned audits is summarised in Table 2 below and detailed in Appendix 2.

2025/26 Audit Plan Stage of Audit Activity	Number of assignments	Percentage of the revised plan
Scoping/TOR agreed	3	6
Fieldwork in progress	13	28
Draft report issued	10	21
Completed	21	45
Total work completed and in progress	47	100%
Original Plan	53	
Additional requests	1	
Cancelled or Postponed	7	
Total Revised Plan	47	

Table 2

- 4.2 The table shows that 100% of the revised plan assignments are either work in progress, have been completed, or have been scoped/terms of reference agreed.

- 4.3 Table 3 outlines agreed changes to the original audit plan. These adjustments are identified as the financial year progresses, with evolving priorities, capacities and risks. However, sometimes deferral requests are concerning, as they may indicate weaknesses in the local control environment. For instance, reasons such as the absence of systems due to the cyberattack, key staff shortages, significant organisational change, including the impact of the transformation agenda, or repeated deferrals could signal issues. If a deferral request highlights such problems, the relevant review area in the table may be marked as likely to provide limited or no assurance. It's important to acknowledge that this assessment involves a higher degree of subjectivity than one resulting from an Internal Audit review.

Cancelled reviews	Reason for Cancellation	Assurance concern identified?
Housing Repairs	Replaced by Housing Improvement Plan audit (26/27)	N/A
Complaints Handling - Housing	Replaced by Housing Improvement Plan audit (26/27)	N/A
Postponed reviews	Reason for Deferral	
Organisational Development	Management Request - Engaging with Workforce to develop the People & OD Strategy	N/A
Grievances	Management Request - Transformation Programme	N/A
Strategic Delivery Team- Disbursement of Funds	Management Request - Change of key officer	N/A
Suicide Prevention	Internal Audit Capacity	N/A
Wyke TMO	Management Request - Absence of key staff	N/A
Additional reviews	Reason for Addition	
Queensbridge Primary School	Management Request	N/A

Table 3

- 4.4 Each completed audit is assigned an overall assurance grading, categorised as 'Significant', 'Reasonable', 'Limited', or 'No' assurance. The assurances resulting from audit work completed this financial year under the current and previous Internal Audit plans are shown below. The 30 final audit reports to date in 2025/26 include 12 audits from the 2024/25 audit plan. Information about the different assurance levels is provided in Appendix 3.

Assurance Level	2025/26 YTD	2024/25	2023/24	2022/23	2021/22
No	2	2	0	0	1
Limited	2	5	2	0	0
Reasonable	16	21	17	7	8
Significant	8	18	16	17	5
Not Applicable	2	2	0	0	0
Total	30	48	35	24	14

Table 4

- 4.5 Where Internal Audit work identifies areas for improvement, recommendations are made to manage the level of risk. These are categorised as 'High', 'Medium' or 'Low' priority. The number of High and Medium recommendations issued up to 31 March 2026 is shown in Table 5.

Categorisation of Risk	Definition	Number 2025/26 Plan	Number 2024/25 Plan not previously reported
High	Major issues that we consider need to be brought to the attention of senior management.	5	12
Medium	Important issues that should be addressed by management in their areas of responsibility.	68	33
Total		73	45

Table 5

5. SCHOOLS

- 5.1 The results of school audits are reported to Hackney Education (HE) within the Children's and Education Directorate. In addition, progress on the implementation of agreed recommendations from 2023/24 to the current date is regularly tracked and reported.
- 5.2 The schools' audit programme focuses on the existence of and compliance with key financial controls and the adequacy of governance arrangements. It also includes a review of schools earmarked for closure.

6. IMPLEMENTATION OF RECOMMENDATIONS

- 6.1 Progress with the implementation of agreed internal audit recommendations is tracked to ensure that the control environment is strengthened. The results of this work for the 'High' priority recommendations from audits undertaken from 2023/24 onward that were due to be implemented by 31 March 2026 are presented in Table 6.

Directorate	Implemented/ No longer relevant	Partially Implemented	Not implemented /No response	Not Yet Due	Total*
Adults, Health & Integration	2	0	0	0	2
Chief Executive's	2	1	1	0	4
Children & Education	1	0	0	1	0
Housing, Climate & Economy	3	8	3	3	14
Finance & Corporate Resources	3	0	0	0	3
ICT	1	3	0	0	4
Corporate	1	1	0	0	2
Total number	13	13	4	4	29
Percentage (%)*	45%	45%	10%	n/a	100%

Does not include "Not Yet Due"

Table 6

- 6.2 The Council's target for 2025/26 is 90% of 'High' and 'Medium' priority recommendations should be implemented by the agreed timescale. Internal Audit followed up on 30 'High' priority

recommendations, the implementation rate currently stands at 45% fully implemented and 45% partially implemented.

- 6.3 Of the 187 'Medium' priority recommendations followed up 71% were assessed as implemented and 9% partially implemented. Details are shown in Table 7. It should be noted that the outstanding recommendations listed against HCE include a significant number that concern TMO audit reviews.

Directorate	Implemented /No longer relevant	Partially Implemented	Not implemented /No Response	Not yet due	Total*
Adults, Health & Integration	16	2	0	0	18
Chief Executive's	15	3	1	2	19
Children & Education	16	3	10	4	29
Housing, Climate & Economy**	19	3	21	0	43
Finance & Corporate Resources	34	3	0	0	37
ICT	24	3	6	0	33
Corporate	8	0	0	0	8
Total number	132	17	38	6	187
Percentage (%)	71%	9%	20%	n/a	100%

* Does not include "Not Yet Due."

**Includes 17 recommendations concerning TMOs that are either partially implemented or no response

Table 7

- 6.4 Recommendations made during school audits are followed up in the same way as for other recommendations. In circumstances where audits are categorised as 'No' or 'Limited' assurance, or where the school fails to provide progress updates with the implementation of 'High' category recommendations, a follow up review is scheduled.

Recommendation Priority	Implemented/ No longer relevant	Partially Implemented	Not implemented/ No Response	Not yet due	Total*
High	9	6	1	0	16
Medium	68	14	21	5	103
Total Number	77	20	22	5	119
Percentage (%)	65%	17%	18%	n/a	100%

* Does not include "Not Yet Due"

Table 8

7. DEVELOPMENTS WITHIN INTERNAL AUDIT

- 7.1 The Audit & Anti-Fraud Service faced staffing and capacity issues during the year due to sickness and recruitment challenges. This has impacted the delivery of certain areas within the 2025/26 annual plan. To address these challenges, proactive measures were implemented, including the recruitment of a fixed-term contract auditor.
- 7.2 Progress on the planned 2025/26 ICT audits has been impacted by the need to focus resources

on completing work agreed under the 2024/25 plan. Four reports from the 2024/25 period have been issued as final or draft in 2025/26, and one from the current 2025/26 plan was completed. While this represents progress compared to previous years there is a need to increase delivery through the year ahead.

- 7.3 As of April 2025, all Internal Audit activities must comply with the Global Internal Audit Standards (GIAS). A recent self-assessment of our conformance with these new standards has led to the development of an Internal Audit GIAS action plan. This plan aims to ensure the successful implementation of necessary actions and full adherence to the GIAS. In addition, to ensure full conformance with new standards, Internal Auditors have updated their knowledge and skills by participating in various training courses and webinars.

Internal Audit activity must be carried out in compliance with the Standards, there is a requirement that an independent External Quality Assessment (EQA) should take place at least every 5 years. The most recent review was completed in November 2023 and concluded that the service 'generally conforms' with the previous standards regime. This was the second highest of four possible outcomes.

8. ANTI-FRAUD SERVICE

- 8.1 Investigation activity continues to be impacted by backlogs that have built up in the criminal justice system and which were amplified by the pandemic. In addition, tenancy fraud work has been limited by team capacity issues during this reporting year. The situation has improved significantly.
- 8.2 Statistical information relating to the work of the Anti-Fraud Teams is shown in Appendix 4.

9. CONCLUSIONS

- 9.1 This report provides details of the performance of the Council's Internal Audit and Anti-Fraud Services. It provides assurance that the service is being delivered to meet statutory responsibilities and is continually seeking to improve the standard of its service.
- 9.2 Audit resources continue to be allocated to support the Corporate Head of Audit, Anti-Fraud & Risk Management's annual assurance statement.

Internal Audit Annual Plan Progress to 31 March 2026 (including 2024/25 audits completed in the current year)					
Code	Description	High Priority	Medium Priority	Audit Assurance	Status
2024/25 Audits					
2425LBH01	AGS Coordination 2024/25	0	0	Reasonable	AGS Report
2324LBH02	Organisational Culture				WiP
2425HR01	LBH Recruitment & Retention / Workforce	3	2	Limited	Final Report Issued
2425AHI01	Care Provider Capacity - Fragility of the Care Provider market	0	4	Reasonable	Final Report Issued
2425AHI05	Collection of Care Charges	1	2	Reasonable	Final Report Issued
2425FCR07	Grant Monitoring	0	4	Reasonable	Final Report Issued
2425FCR09	Pensions - Investments	0	0	Significant	Final Report Issued
2425ICT02	Telephony & Network Connections	2	8	Limited	Final Report Issued
2425ICT04	Synergy	0	6	Reasonable	Final Report Issued
2425ICT05	Disaster Recovery and Backup Arrangements			Limited	Draft Report Issued
2425ICT06	Change Management	2	2	Limited	Final Report Issued
2425CE05	Children with Disabilities	0	0	Significant	Final Report Issued
2425CHE01	Housing Legal Disrepair				Draft Report
2425CHE04	Leaseholder Major Works Debt Recovery	4	2	No Assurance	Final Report Issued
2425SCH01	Clapton Park CC	0	3	Significant	Final Report Issued
2025/26 Audits					
Corporate / Cross-Cutting					
2526LBH01	AGS Coordination 2025/26				WiP
2526LBH02	Climate Change/Zero Tolerance			Draft	Draft Report
2526LBH03	Council Owned Companies				Draft ToR
2526LBH04	Grant Certifications			n/a	Completed
Chief Executive's					
2526CEX01	Establishment Control	0	4	Reasonable	Final Report Issued

2526CEX02	Organisational Development				Management Request to defer.
2526CEX03	Grievances				Management Request to defer.
2526CEX04	Strategic Delivery Team - Disbursement of Funds				Final ToR- Management Request to defer.
2526CEX05	Voluntary & Community Sector - Advisory			n/a	Ongoing
Adults, Health & Integration					
Adults/Public Health					
2526AHI01	Mortuary	0	2	Significant	Final Report Issued
2526AHI02	Suicide Prevention				Final ToR - Deferred to 2026/27
2526AHI03	Safeguarding Provisions within Contracted Services			Draft	Draft Report
2526AHI04	Shared Lives			Draft	Draft Report
2526AHI05	MHRA National Patient Safety Alerts				WiP
2526AHI06	Public Health - Partnership relationship between LBH & City of London	0	5	Reasonable	Final Report Issued
Finance & Corporate Resources					
Financial Management					
2526FCR01	Accounts Payables			Significant	Draft Report Issued
2526FCR02	Accounts Receivables				WiP
2526FCR03	Treasury Management				WiP
Revenues & Benefits					
2526FCR04	Council Tax				WiP
ICT					
2526ICT01	Records Retention				WiP
2526ICT02	3rd Party ICT Security				Final ToR Issued
2526ICT03	Business Continuity (ICT)				Final ToR Issued
2526ICT04	Academy	0	4	Reasonable	Final Report Issued
2526ICT05	Licence Management				WiP
2526ICT06	Device Management				WiP

2526ICT07	Follow-up of Actions	0	0	Reasonable	Completed
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Children & Education

Children & Families

2526CE01	Short Breaks for Children with Disability			Reasonable	Draft Report Issued
2526CE02	Supporting Families Programme Grant			n/a	Completed

Education & Schools

2526CE03	Permanent Exclusions				WiP
2526CE04	Unregistered Settings	0	5	Reasonable	Final Report Issued
2526CE05	Free School Meals				WiP
2526CE06	School Thematic Audit - Corporate Services Support	0	3	Reasonable	Final Report Issued
2526CE07	Schools Overview Report 2024/25	0	3	n/a	Final Report Issued

Schools

Primary Schools & Children's Centres

2526SCH01	Ann Taylor Children's Centre				WiP
2526SCH02	Berger Primary School			Significant	Draft Report Issued
2526SCH03	Blossom Federation - Daubeney, Seabright, & Lauriston Primary Schools	0	1	Significant	Final Report Issued
2526SCH04	Leap Federation - Gayhurst, Kingsmead, & Mandeville Primary Schools			Significant	Draft Report Issued
2526SCH05	Oldhill Community Primary School	0	0	Significant	Final Report Issued
2526SCH06	Princess May Primary School				WiP
2526SCH07	Sir Thomas Abney Primary School	0	0	Significant	Final Report Issued
2526SCH08	St. Dominic's Primary School	1	1	Reasonable	Final Report Issued

2526SCH09	St. Mary's CoE Primary School	0	1	Significant	Final Report Issued
2526SCH12	Queensbridge Primary School	3	17	No Assurance	Final Report Issued
Secondary Schools					
2526SCH10	Our Lady's Catholic High School	0	7	Reasonable	Final Report Issued
2526SCH11	Yesodey Hatorah Senior Girls School	0	9	Reasonable	Final Report Issued
Special Schools					
Housing, Climate & Economy					
Housing					
2526CHE01	Complaints Handling - Follow Up				Deferred
2526CHE02	Lordship TMO			Reasonable	Draft Report Issued
2526CHE03	Wyke TMO				Final ToR- Management Request to defer.
2526CHE04	TMO Oversight			Limited	Draft Report Issued
2526CHE05	Housing Repairs				Final ToR - Deferred -IA Capacity
2526CHE06	Temporary Accommodation Income Collection			Draft	Draft Report
Environment & Climate Change					
2526CHE07	Building Control Service	1	0	Reasonable	Final Report Issued
Regeneration					
2526CHE08	Private Rented Sector - Incentive Payments				WiP
2526CHE09	Hackney Living Rents	0	6	Reasonable	Final Report Issued

* ToR - Terms of Reference

* WiP - Work in Progress

The **Overall Assurance** given in respect of an audit is categorised as follows:

Level of assurance	Description	Link to risk ratings
Significant	Our work found some low-impact control weaknesses that, if addressed, would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore, we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function, or process.	There are two or less medium-rated issues or only low rated or no findings to report.
Reasonable	There are some weaknesses in the design and/or operation of controls that could impair the achievement of the objectives of the system, function, or process. However, either their impact would be less than critical or they would be unlikely to occur.	No more than one high priority finding &/or a low number of medium rated findings. Where there are many medium rated findings, consideration will be given as to whether the effect is to reduce the assurance to Limited.
Limited	There are some weaknesses in the design and/or operation of controls that could have a significant impact on the achievement of key system, function, or process objectives but should not have a significant impact on the achievement of organisational objectives. However, there are discrete elements of the key system, function, or process where we have not identified any significant weaknesses in the design and/or operation of controls that could impair the achievement of the objectives of the system, function, or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function, or process.	There are up to three high-rated findings. However, if there are three high priority findings and many medium rated findings, consideration will be given as to whether in aggregate the effect is to reduce the opinion to No assurance.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function, or process objectives and may put at risk the achievement of organisation objectives.	There are a significant number of high rated findings (i.e. four or more).

* The overall assurance provided on reviews of Hackney Schools and Tenant Management Organisations (TMOs) differs slightly from the above (Appendix 3). To conclude an overall significant assurance rating requires three or less medium-rated issues, this is due to the wide coverage of risk and control areas during School & TMO reviews.

Anti-Fraud Service:

Statistical Information 1 December 2025 to 31 March 2026

1. Investigations Referred

The Anti-Fraud service has received 429 referrals during the year to date, which is broadly consistent with the level of activity in 2024/25. The period referred to in the table is 1 December to 31 March.

Group	Department	Number of Cases Referred in Period	Number of Cases Closed in Period	Cases Currently Under Investigation	Referrals 2025/26 YTD	Referrals 2024/25
Housing, Climate & Economy (HCE)	Housing, Climate & Economy	6	1	21	22	10
	Tenancy Fraud	58	74	277	159	161
	Parking	34	68	17	142	181
Children's & Education	Children's	1	1	4	7	2
	No Recourse to Public Funds (NRPF)	14	0	49	84	122
	Hackney Education	0	0	3	0	7
Adults, Health & Integration	Adults, Health & Integration	2	4	7	8	6
Finance & Corporate Resources (F&CR)	Finance & Resources	2	2	4	3	3
	Covid business grants	0	1	0	0	0
Chief Executive's Directorate	Chief Executive's Directorate	3	5	3	4	3
Total		120	155	385	429	495

Table 1

Note 1: Fraud reporting is provided at Group Directorate level, with additional detail being provided for areas that have been the subject of a dedicated counter-fraud response (Tenancy, Parking, Covid grants and NRPF).

Note 2: Cases closed/under investigation may include those carried forward from previous reporting periods.

2. Fraud Enquiries

Investigative support is provided to other bodies undertaking criminal enquiries, including the Police, Home Office and other Local Authorities. The team also supports other LBH teams to obtain information where they do not have direct access and it is available under the Data Protection Act crime prevention and detection gateways.

Source	Number of Cases Referred in period	Number of Cases Closed in period	Cases Currently Under Investigation	Referrals 2025/26 YTD	Referrals 2024/25
Internal	2	2	0	6	11
Other Local Authority / Housing Association	0	0	2	65	68
HMRC	0	0	0	6	1
Police	11	11	0	47	26
Immigration	2	2	0	3	7
DWP	1	1	0	9	18
Other	38	38	1	66	46
Total	54	54	3	202	177

Table 2

3. National Fraud Initiative (NFI) Matches

The NFI is a biennial data matching exercise; the majority of datasets were most recently received in January 2025 (with the Council Tax matches being received on an annual basis). Matches are investigated by various LBH teams over the 2 year cycle, AAF investigates many matches and coordinates the Council's overall response. The total number of matches includes a number of recommended cases that are identified as high priority, participants are expected to further risk assess the results to determine which are followed up.

Type of Match	Number of Matches	Cases Under Investigation	Number Matches Cleared NFI2024/25	Number Matches Cleared NFI2022/23
Payroll	61	36	25	36
Housing Benefit	702	0	377	833
Housing Tenants	1,338	19	387	797
Right to Buy	23	0	9	143
Housing Waiting List	1,529	50	71	n/a
Concessionary travel / parking	929	10	558	812
Creditors	8,393	0	8230	6,784
Pensions	268	1	263	140
Council Tax (SPD)	11,639	111	9,330	
Council Tax Reduction Scheme	1,249	63	135	n/a
Procurement/Other	36	11	21	25
Total	26,167	301	19,406	10,388

Table 3

Hackney has been able to fully participate in the 2024/25 NFI matching after the two previous exercises were disrupted because some data was not available following the cyber attack in October 2020.

Responsibility for investigating Housing Benefit matches passed to the DWP in 2014.

4. Analysis of Outcomes

Investigations can result in differing outcomes from prosecution to no further action. Table 4 below details the most common outcomes that result from investigations conducted by the Anti-Fraud Teams.

Outcome	Reporting Period	2025/26 YTD	2024/25
Disciplinary action	3	6	4
Resigned as a result of the investigation	0	10	7
Referred to Police or other external body	0	0	3
Prosecution	2	12	18
Referred to Legal Services	2	14	10
Investigation Report/ Management Letter issued	10	22	13
Council service or discount cancelled	26	56	52
Covid business grants cancelled	0	1	1
Blue Badges recovered	23	83	120
Other fraudulent parking permit recovered	8	14	13
Parking misuse warnings issued	22	69	126
Penalty Charge Notice (PCN) issued	6	56	85
Vehicle removed for parking fraud	6	36	66
Recovery of tenancy	7	38	20
Housing application cancelled or downgraded	3	10	7
Right to Buy application withdrawn or cancelled	2	3	0

Table 4

The three disciplinary outcomes concern 2 instances of staff parking misuse and one instance of time keeping irregularity.

5. Financial Losses as a Result of Fraud

The most apparent consequence of many frauds is a financial loss, however, it needs to be noted that it is not always possible to put a value in monetary terms. In many cases the direct financial loss accounts for only a small amount of the total cost of the fraud, with the additional amount comprising intangibles such as reputational damage, the cost of the investigation and prosecution, additional workplace controls, replacing staff involved and management time taken to deal with the event and its' aftermath.

The following are estimates of the monetary cost for some of Hackney's priority investigation areas based (where relevant) upon external benchmarking data to provide a realistic estimation of the cost of the irregularity:

5.1 Tenancy Fraud Team (TFT)

During the period December 2025 to March 2026 a total of 7 tenancies have been recovered by the TFT. Using the recognised measure for the estimated cost of each misused tenancy of £42,000 pa, this equates to a value of £294,000.

In the same period 3 housing applications have been cancelled following a TFT review. These investigations help to ensure that Hackney's social housing is only allocated to those in

genuine need. The Audit Commission had variously reported the potential benefit to the public purse of each cancelled application as between £4,000 and £18,000. Two Right to Buy claims were disallowed following investigation, so that housing units were not lost from the Council stock and discounts of £32,000 were not given.

5.2 No Recourse to Public Funds Team (NRPF)

An average weekly support package valued at c£387 is paid to each family supported (applicable to the 'service cancelled' category in Table 4). During this reporting period, 25 support packages were cancelled or refused following AAF investigations. This equates to a saving in the region of £387 per week, if these had been paid for the full financial year it would have cost Hackney approximately £504,482.

5.3 Parking Concessions

The Audit Commission estimated the cost of each fraudulently used Blue Badge to be £100 (likely a huge underestimate given that this is equivalent to on-street parking costs for a petrol vehicle in the Hackney Central parking zone for less than 23 hours). Fees of £65 are also payable where a Penalty Charge Notice is issued as part of the enforcement process, or £265 if the vehicle is removed. In this period AIT recovered 31 Blue Badges or other parking permits, which equates to £3,100, and enforcement charges of £1,590 also arose.

In addition, costs, penalties and victim surcharges were also payable in relation to the parking prosecution cases.

The cost for these types of fraud is far greater in terms of the denial of dedicated parking areas to genuine blue badge holders and residents, and the reputational damage that could be caused to Hackney if we were seen not to be tackling the abuse of parking concessions within the borough.

6. **Matters Referred from the Whistleblowing Hotline**

All Hackney staff (including Hackney Education) can report concerns about suspected fraud and other serious matters in confidence to a third party whistleblowing hotline. Other referral methods are available (and may indeed be preferable from an investigatory perspective), however, the hotline allows officers to raise a concern that they might not otherwise feel able to report. Four referrals were received via the hotline in the reporting period.

7. **Regulation of Investigatory Powers Act (RIPA) Authorisations**

RIPA is the legislation that regulates the use of surveillance by public bodies. Surveillance is one tool that may be used to obtain evidence in support of an investigation, where it can be demonstrated to be proportionate to the seriousness of the matter concerned, and where there is no other less intrusive means of obtaining the same information.

Because surveillance has the potential to be a particularly intrusive means of evidence gathering, the approval process requires authorisation by a nominated senior Hackney officer (Corporate Head of Audit, Investigations & Risk Management/Group Director FCR/Chief Executive) and approval by a magistrate. Although Hackney will use its surveillance powers conferred by RIPA when it is appropriate to do so, no application has been made in the current financial year.

8. Proceeds of Crime Act (POCA) Investigations

POCA investigations can only be undertaken by accredited officers, as are currently employed by AAF. The Council is able to benefit financially from the use of POCA investigation powers. The amount awarded to the Council is greater in instances where the Council is both the investigating and prosecuting authority. The Council's investigation processes are supported by POCA in four principal ways: -

- Providing access to financial information in connection with a criminal enquiry, subject to approval by Crown Court by way of a **Production Order**.
- Preventing the subject of a criminal enquiry from disposing of assets prior to a trial, where these may have been obtained from criminal activity, by use of a **Restraint Order**, subject to Court approval.
- Recognising that offenders should not be able to benefit from their criminal conduct through the use of **Confiscation Orders**. These allow the courts to confiscate any benefit that a defendant may have received as a result of their crime.
- Under the confiscation process the courts are also able to ensure that victims are compensated for their loss by way of a **Compensation Order**.

Type of Order	Authorised in period	2025/26 YTD	2024/25
Production	0	2	3
Restraint	0	0	0
Compensation	0	0	1
Confiscation	0	0	0
Total	0	2	4

Table 5

The POCA incentivisation scheme splits the proceeds from orders between investigation, prosecution and judicial authorities, and the HM Treasury - so the amount reported here represents a part of the total benefit to the public purse arising from this work. It should be noted that funds awarded from successful POCA investigations can often be received some time after the investigation is reported.

9. Proactive counter-fraud plan

The 2025/26 proactive counter fraud plan contains the following items:

- Temporary accommodation placements outside Borough
- NRPF long-term client review
- Various fraud awareness training
- Facilitation and delivery of the 2024/25 NFI

Delivery of the proactive counter-fraud plan is determined in part by the number and complexity of reactive investigations that are received.