



# Closing your SHDF Wave 2 project: fraud and error essentials

Fraud and error  
04 February 2026

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# Delivery Partner Counter Fraud Team

**Objective:** To provide a proactive counter fraud function to help minimise fraud and ensure compliance with policy across schemes

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Please direct all fraud-related queries to the DP Counter Fraud Team mailbox: [uk\\_dpcounterfraud@pwc.com](mailto:uk_dpcounterfraud@pwc.com)

# Key fraud and error countermeasures at scheme closure

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## Data reporting deadlines

Keeping on top of DMS data submission deadline which is the 10<sup>th</sup> working day of each month. This helps us track progress and keep operations running smoothly.

In your DMS report:

- All mandatory fields should be completed
- Figures should align with your most recently approved project change request (PCR)
- Figures should align with your submitted financial reconciliation templates

## Trustmark lodgements

To stay compliant with scheme requirements and TrustMark reporting, please ensure the following details are included in your monthly DMS report:

- Property upgrade details: include the property address, postcode, UPRN and pre and post-installation EPC ratings (easily found in the 'property details' tab)
- Installed measure details: capture details like measure type, installation date, cost and TrustMark reference number – these are all in the 'measure details' tab

## Fraud Risk Assessments and risk registers

Relevant documentation to be obtained by SPOC and initially reviewed by T&T for technical / operational risks. Escalated and provided to Counter Fraud Team where fraud-related risks are identified.

All GRs will be required to submit a **closure FRA**. We would expect these to have updates from the previous FRA to include closure specific risks.

## Close out of cases

It is expected that all ongoing/legacy fraud and error cases which have been reported to the DP are concluded by closure.

# Updating your Fraud Risk Assessment for the final stage

# Fraud Risk Assessment (“FRA”) principles

**Purpose** : *inform a risk owner of the fraud risks currently facing their organisation along with an assessment of which are the most urgent and why.*

- FRA is a process aimed at proactively identifying and understanding vulnerabilities (internal and external) to fraud;
- Must be completed by suitably experienced staff members:
  - Understand core business processes; and
  - An understanding of fraud risks and effective controls.
- FRA will:
  - Identify the inherent risks associated with the grant scheme for the organisation;
  - Consider the controls in place which mitigate against these risks; and
  - Provide an assessment of the residual fraud risk after the controls have been implemented - categorised according to likelihood and impact.
- The FRA for the grant scheme will draw upon the wider organisational fraud risks identified as part of the organisation’s FRA and will feed into Fraud Management Plan; and
- All Grant Recipients must submit a new FRA prior to closure to reflect the changing fraud landscape around closure.
- Please use the template FRA provided to you.

# Closure specific updates

## 01

### Final submission

Your final FRA submission should be made within 3 months of your closure date.

## 02

### Closure specific risks

This submission should include closure specific risks. These are covered in more detail in the next section.

## 03

### Re-prioritisation of risks

Application/eligibility risks will be less relevant to the themes experienced around closure.

Please ensure that FRAs are submitted to the DP counter fraud team, by emailing them to [uk\\_dpcounterfraud@pwc.com](mailto:uk_dpcounterfraud@pwc.com)

# Common fraud and error risks at closure

# Common fraud and error risks at closure

- Increase of claims for work that has not taken place, partially completed, or completed to a lower standard.
  - As suppliers rush to meet demand and deadlines, these practices become more likely. This has been identified in a number of GRs already through year end reconciliation processes.
- Supplier/Sub-Contractor going into administration.
  - We have had instances of this flagged to us which has stalled progress on work towards completion.
- Staff members start to move on to other projects.
  - This may result in relaxed controls with a reduced number of staff.
- Backdating of invoices by suppliers so that they fit within the scheme window.
- Receipt of Trustmark lodgements and other compliance documentation/certificates.
  - We have identified a number of suppliers who are behind on their Trustmark lodgement and provision of other key documentation to GRs. This is likely to increase with the pressure of an impending deadline.
- GRs are incentivised to use up funding towards closure in fear of losing the funding.
  - This may lead to a lack of appropriate vetting and an increase in eligible spend.
- Timing of claims may cause risk
  - Suppliers front-loading claims for work not yet completed to ensure payment ahead of key deadlines.

# Reporting requirements for ongoing, legacy and significant cases

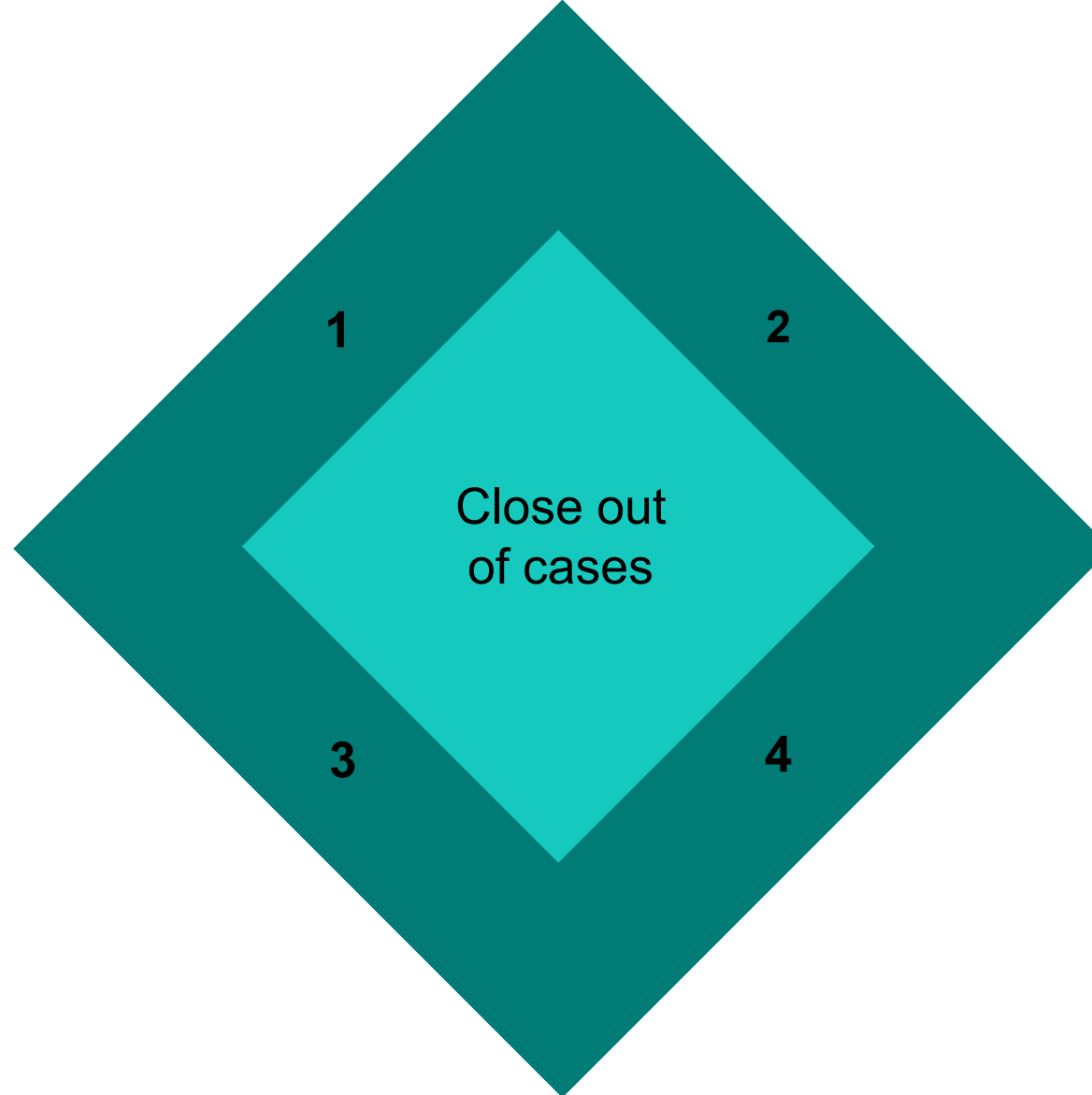
# Reporting requirements

## Ongoing/Legacy

It is expected that all ongoing/legacy fraud and error cases which have been reported to the DP are concluded by 30 June 2026. GRs can therefore expect communications from the DP in the coming months, to inquire on the status of all ongoing cases. Where required, the DP will assist the GR with case closures.

## Material Fraud/Error Cases

Any new cases with a financial impact (or potential impact) < £100k will continue to be reported to the DP until 30 September 2026. A DP triage of new cases during this period will identify those which qualify.



## Closure Fraud/Error Concerns

Fraud/error concerns identified during the final year end reconciliation/payment & evidence testing will continue to be escalated to the counter fraud team for triage.

All new cases of fraud/error will be reported by GRs to the DP until 30 June 2026.

## Fraud/Error Reporting Deadline

No new cases below £100k will be reported to the DP beyond 1 July 2026. Should GRs still have concerns after this point, they can be escalated directly to the Department.

# Tools and resources to support compliance

## Change of support received at 'tools down'

As projects near completion and as part of our ongoing monitoring and evaluation, we will contact grant recipients to ask them to provide forecasted and confirmed achievement dates for the following key milestones:

- **'tools down' date (completion of on-site works/MS8 achieved)**
- **'completion' date (MS8 achieved + TrustMark lodgements complete)**

**When your project reaches this stage, support from your single point of contact (SPOC) will be replaced with your Salix project support officer (PSO), who will be there to guide you through activities and tasks required to officially close.**

Confirmation of these achievements is required in writing, and your SPOC is still available to support while you're delivering on-site.

# Relevant Government Standards

## GovS 013 Counter Fraud:

- Sets the expectations for the management of counter fraud, bribery and corruption activity in government organisations;
- Provides guidance on Fraud Risk Assessments, fraud reporting and record keeping.

## GovS 015 Grants:

- Sets the expectations for the management of grants, and to promote efficient and effective grant making to ensure funding is used as intended and provides value for money through high quality delivery;
- Provides guidance on counter fraud measures in Government grant schemes.

## Cabinet Office Guidance for General Grants Standard 7 - Risk, Controls & Assurance:

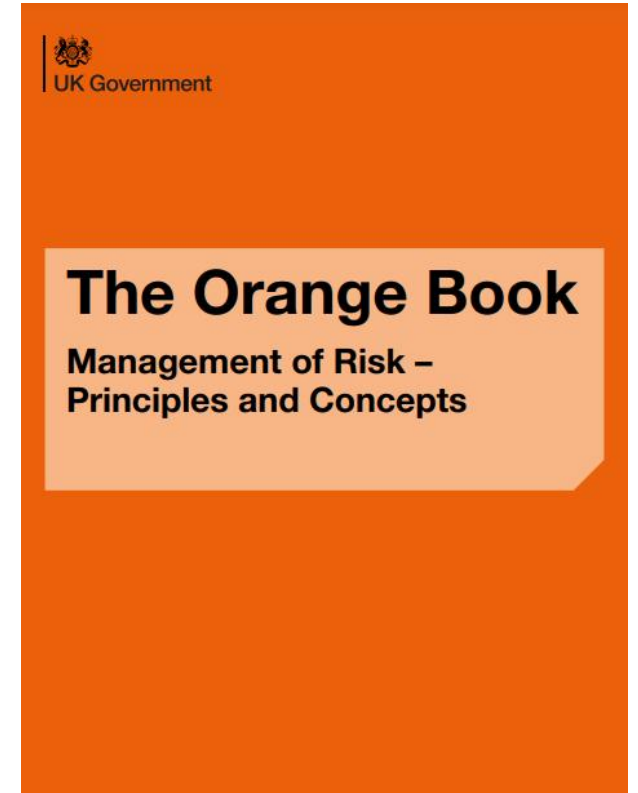
- Provides detail on the creation and maintenance of a risk, controls and assurance management framework including counter fraud and due diligence activities.

## Government Counter Fraud Professional Standards and Guidance - Fraud Risk Assessment Core Discipline:

- Contains the agreed professional standards and guidance for those persons and organisations undertaking FRAs within central government.

## UK Gov Orange Book:

- Sets out a principles-based approach that provides flexibility and judgement in the design, implementation and operation of risk management, informed by relevant standards<sup>[1]</sup> and good practice.



Any questions?



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