



**Ryedale District Council**

**Counter Fraud Progress Report**

**Period to 31 December 2018**

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**Circulation List:** Members of the Overview and Scrutiny Committee  
Chief Executive  
Chief Finance Officer (s151)

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## **Background**

- 1 Fraud is significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Councils are encouraged to prevent, detect and deter fraud in order to safeguard public finances.
- 3 Veritau are engaged to deliver a corporate counter fraud service for Ryedale District Council. A corporate counter fraud service aims to prevent, detect and deter fraud and related criminality affecting an organisation. Veritau deliver counter fraud services to the majority of councils in the North Yorkshire area as well as local housing associations and other public sector bodies.

## **Counter Fraud Performance 2018/19**

- 4 Up to 31 December, the counter fraud team achieved £17.9k in savings for the council as a result of investigative work. There are currently 11 ongoing investigations. A summary of counter fraud activity is included in the tables below.

## COUNTER FRAUD ACTIVITY 2018/19

The tables below shows the total number of fraud referrals received and summarises the outcomes of investigations completed during the year to date.

	<b>2018/19 (As at 31/12/18)</b>	<b>2018/19 (Target: Full Year)</b>	<b>2017/18 (Full Year)</b>
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions).	54%	30%	42%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£17,930	£20,000	£55,161

### Caseload figures for the period are:

	<b>2018/19 (As at 31/12/18)</b>	<b>2017/18 (Full Year)</b>
Referrals received	31	71
Referrals rejected	11	24
Number of cases under investigation	11	13 <sup>1</sup>
Number of investigations completed	13	33
Carried forward	49	42

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<sup>1</sup> As at 31/3/18

## Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative is underway. A range of council data was gathered and securely sent to the Cabinet Office for data matching in October. Resulting data matches are expected in February.</p> <p>The council participated in an NFI Business Rates pilot alongside regional partners. In October over 4,000 matches were returned. Sampling was undertaken but this did not uncover any fraud. Although the results of the exercise have helped to correct errors in data contained in the business rates system.</p>
Fraud detection and investigation	<p>The service continues to use criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"><li data-bbox="421 906 1998 1246">• <b>Council Tax Support fraud</b> – To date the team has received 18 referrals for possible CTS fraud and over £10,000 of fraud and error has been detected. In October, a woman from Weaverthorpe was prosecuted for CTS fraud. She failed to declare multiple periods of income for herself and for her husband over a three year period. She received over £3,700 that she was not entitled to. She pleaded guilty and was sentenced to 50 hours of unpaid work in the community to be undertaken within a 12 month period. In addition, three people have been cautioned, issued fines or received a warning for offences in this area. There are currently 6 cases under investigation.</li><li data-bbox="421 1315 1998 1390">• <b>Council Tax/Non Domestic Rates fraud</b> – 12 referrals for council tax fraud have been received in 2018/19. One person has been given a warning relating to fraud in this area.</li></ul>

Activity	Work completed or in progress
	<p>There are currently 4 cases under investigation.</p> <ul style="list-style-type: none"> <li>• <b>Internal fraud</b> – There have been no reports of internal fraud this year.</li> <li>• <b>External fraud</b> – One report of fraud against the council by external parties has been referred and is currently under investigation.</li> </ul>
Fraud liaison	<p>The fraud team acts as a single point of contact for the Department for Work and Pensions and is responsible for providing data to support their housing benefit investigations. The team have dealt with 47 requests on behalf of the council in 2018/19.</p>
Fraud Management	<p>In 2018/19 a range of activity has been undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> <li>• In May, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2017/18 meeting the council's obligation under the Local Government Transparency Code 2015.</li> <li>• The council participated in the annual CIPFA Counter Fraud and Corruption Tracker (CFaCT) survey in June 2018. The information provided has contributed to a recently released report which provides a national picture of fraud, bribery and corruption in the public sector and the actions being taken to prevent it.</li> <li>• During this year's National Fraud Initiative data gathering exercise, the counter fraud team has confirmed that, as part of the council's legal obligations, privacy notices are in place to facilitate data processing.</li> </ul>

<b>Activity</b>	<b>Work completed or in progress</b>
	<ul style="list-style-type: none"><li data-bbox="465 256 2000 336">• As part of International Fraud Week in November, the counter fraud team raised awareness of fraud with staff via intranet articles published throughout that week.</li><li data-bbox="465 389 2000 469">• The counter fraud team alerts council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year.</li></ul>