

RYEDALE
DISTRICT
COUNCIL



Ryedale District Council
Summary of Counter Fraud Activity
2017/18

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Circulation List: Members of the Overview and Scrutiny Committee
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Background

- 1 Fraud is a 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 fraud service for Ryedale District Council. A corporate 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 work carried out in 2017/18

- 4 Counter fraud work was undertaken in accordance with the approved plan. A summary of activity is included in Appendix 1 of this report. Investigations this year have led to the £55k of savings being produced for Ryedale District Council. Overall, 42% of investigations resulted in a successful outcome.
- 5 Across 6 local authorities in 2017/18 Veritau detected £570k of fraud against its clients and produced £615k in actual savings.

Counter Fraud Activity 2017/18

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

	2017/18 (Full Year)	2016/17 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, and housing allocations blocked).	42%	53%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£55,161	£38,642

Caseload figures for the period are:

	2017/18 (Full Year)	2016/17 (Full Year)
Referrals received	71	70
Referrals rejected	24	15
Number of cases under investigation ¹	13	25
Number of investigations completed	33	30

¹ As at the end of the financial year, ie 31st March 2018 and 2017 respectively.

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>Work on the 2016/17 National Fraud Initiative (NFI) was completed in the last financial year.</p> <p>The NFI are running an additional pilot exercise looking at business rates fraud. There was strong interest nationally in participating in the pilot. The council along with its partners were one of just seven groups chosen to take part. The council is joined by City of York Council, Leeds City Council, Harrogate Borough Council, Richmondshire DC, Selby DC, Hambleton DC, Doncaster MBC, Kirklees MDC, and Barnsley MBC. Results from the pilot are expected to be released in September.</p>
Fraud detection and investigation	<p>The service continues to promote the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity undertaken last year included the following:</p> <ul style="list-style-type: none"> • Council Tax Support fraud – In 2017/18 the team received 30 referrals for possible CTS fraud. Over £16k in falsely or erroneously obtained discounts were detected. One CTS recipient who failed to declare that their partner, who was in full employment, had lived with them for 5 years was successfully prosecuted. This was the council's first Council Tax Support prosecution. One person was cautioned for failing to declare their true income to the council. There are currently 10 cases under investigation. • Council Tax/Non Domestic Rates fraud – 40 referrals for council tax or business rates fraud were received in 2017/18. Over £13k of fraudulent or erroneous payments were detected in this area during the year. One person was cautioned for falsely claiming single person discount for 2 years. A project examining council tax avoidance at a caravan site in the Ryedale Area was completed in 2017/18. Ten percent of plots at this site were found to be permanently occupied as residences. The project produced £6k of savings as well as ongoing council tax collection for the council. There are currently 2 council Tax/NNDR cases under investigation. • Internal fraud – No reports of internal fraud were received in 2017/18.

Activity	Work completed or in progress
Fraud liaison	<p>In 2016 the council's remit to investigate and prosecute housing benefit fraud transferred to the Department for Work and Pensions (DWP). The counter fraud team now acts as a single point of contact for the DWP and is responsible for providing data to support their housing benefit investigations. The team dealt with 170 requests in 2017/18.</p>
Fraud management	<p>In 2017/18 a range of activity was undertaken to support the council's counter fraud framework.</p> <ul style="list-style-type: none"> • In July 2017 an annual counter fraud report was brought to the Oversight and Scrutiny Committee. As part of the annual report the counter fraud and corruption policy, counter fraud strategy and counter fraud risk assessment were reviewed. • In September a new 0800 number was launched to allow members of the public to report fraud free of charge. • 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. • In March 2018 a leaflet promoting the council's fraud hotline was included in annual billing for residents and businesses. • The counter fraud team continues to alert council departments to emerging local and national threats through a monthly bulletin and specific alerts.