



Ryedale District Council
Counter Fraud Progress Report
Period to 15 March 2019

Counter Fraud Manager: Jonathan Dodsworth
Head of Internal Audit: Max Thomas

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

Date: April 2019

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 15 March, the counter fraud team achieved £19.7k in savings for the council as a result of investigative work. There are currently 13 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.

	2018/19 (As at 15/03/19)	2018/19 (Target: Full Year)	2017/18 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions).	57%	30%	42%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£19,729	£20,000	£55,161

Caseload figures for the period are:

	2018/19 (As at 15/03/19)	2017/18 (Full Year)
Referrals received	61	71
Referrals rejected	25	24
Number of cases under investigation	13	13 ¹
Number of investigations completed	14	33
Carried forward	64	42

¹ 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. Initial data matches have been released and work on them has begun.</p> <p>The council participated in an NFI Business Rates pilot alongside regional partners in the current financial year. No fraud was detected, but the exercise did identify error within the business rates database which was corrected.</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="432 807 2024 975">• Council Tax Support fraud – To date the team has received 28 referrals for possible CTS fraud and over £10,000 of fraud and error has been detected. To date, one person has been prosecuted, three people have been cautioned, issued fines or received a warning for offences in this area. There are currently 7 cases under investigation.<li data-bbox="432 999 2024 1126">• Council Tax/Non Domestic Rates fraud – 31 referrals for council tax fraud have been received in 2018/19. Two people have been given warnings relating to fraud in this area. There are currently 4 cases under investigation.<li data-bbox="432 1150 2024 1190">• Internal fraud – There has been one report of internal fraud against the council this year.<li data-bbox="432 1214 2024 1286">• External fraud – There has been one report of fraud against the council by external parties in 2018/19.

Activity	Work completed or in progress
Fraud liaison	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 51 requests on behalf of the council in 2018/19.
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"> • 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. • 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. • 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. • 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 a leaflet was included in annual council tax billing which encourages residents to report their suspicions of fraud. • 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.