



Ryedale District Council

Counter Fraud Progress Report

Period to 15 December 2019

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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 2019/20

- 4 Up to 15 December, the counter fraud team achieved £16.1k in savings for the council as a result of investigative work. There are currently 12 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2019/20

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

	2019/20 (As at 15/12/19)	2019/20 (Target: Full Year)	2018/19 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions).	47%	30%	60%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£16,110	£20,000	£24,659

Caseload figures for the period are:

	2019/20 (As at 15/12/19)	2018/19 (Full Year)
Carried forward at start of financial year	75	54
Referrals received	27	63
Referrals rejected	16	27
Number of investigations completed	15	15
Active cases and awaiting investigation ¹	71	75

¹ As at 15/12/19 and 31/3/19 respectively.

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative (NFI) is almost completed. No substantial cases of fraud have been detected through the exercise.</p> <p>The counter fraud team is currently gathering data for the 2019/20 NFI single person discount review exercise.</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"> • Council Tax Support fraud – To date the team has received 16 referrals for possible CTS fraud and £4.7k of savings has been identified through fraud investigation in the current financial year. Two people have received warnings for offences in this area. There are currently seven cases under investigation. • Council Tax fraud – Seven referrals for council tax fraud have been received in 2019/20. One person has been given a warning relating to fraud in this area. £6.6k in savings has been identified in this area to date. There are currently 4 cases under investigation. • NNDR fraud – Two referrals for NNDR fraud have been received to date. • Internal fraud – There have been no reports of internal fraud against the council this year. One investigation that began in 2018/19 concluded in the current financial year. • External fraud – Two referrals have been received in 2019/20. The council was recently targeted by a scam in which payments are made to business rate accounts with stolen credit card details. The perpetrators then ask for the money to be refunded into a different account.

Activity	Work completed or in progress
	<p>Three councils, to our knowledge, were attacked in North Yorkshire at the same time, but luckily the fraudulent attempt was spotted quickly and no losses were sustained.</p>
<p>Fraud liaison</p>	<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 21 requests on behalf of the council in 2019/20.</p> <p>In May 2019, the DWP began new joint working arrangements with councils in the Yorkshire and Humber region. Joint working involves council fraud investigation officers working with DWP counterparts to investigate benefit fraud that affects both organisations. Three investigations are currently ongoing with the DWP and none have been completed.</p>
<p>Fraud Management</p>	<p>In 2019/20 a range of activity has been undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> • 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. • In May, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2018/19 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 2019. 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.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="483 272 2011 395">• In September, the counter fraud team ran a cybercrime awareness week, delivering cybercrime awareness information to council employees through a number of bulletins provided over the course of the week.<li data-bbox="483 421 2011 496">• In November, awareness was raised internally and with the public as part of International Fraud Awareness Week.