



Ryedale District Council

Counter Fraud Progress Report

Period to 28 February 2021

Assistant Director – Corporate Fraud: Jonathan Dodsworth
Head of Internal Audit: Max Thomas

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

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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 Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 3 Veritau are engaged to deliver a corporate fraud service for Ryedale District Council. A corporate fraud service aims to prevent, detect and deter any fraud and related criminality affecting an organisation.

Covid-19 Grant Fraud

- 4 The Covid-19 pandemic continues to create working issues and new types of fraud for the team to address. In the final quarter of 2020/21 the counter fraud team are providing support with the Council's post-event assurance plan. Post-assurance checks on the first grant schemes rolled out in 2020 are reaching their conclusion in line with government targets. This work will be supplemented by outputs from the National Fraud Initiative that will be reviewed and investigated as necessary.
- 5 Veritau are continuing to support the Council through the sharing of national and regional intelligence as well as undertaking investigation in cases of suspected fraud.
- 6 The counter fraud team has completed two investigations relating to Covid-19 grant applications. Both were found to be fraudulent and were stopped before payment was made. There are five ongoing investigations in this area.

Counter Fraud Performance 2020/21

- 7 Up to 28 February, the counter fraud team achieved £19k in savings for the Council and blocked £30k of fraudulent Covid-19 grant payments. There are currently 16 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2020/21

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

	2020/21 (As at 28/2/20)	2020/21 (Target: Full Year)	2019/20 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions).	67%	30%	55%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£19,029	£20,000	£32,641
Amount of savings from the prevention of Covid-19 grant fraud.	£30,000	n/a	n/a

Caseload figures for the period are:

	2020/21 (As at 28/2/20)	2019/20 (Full Year)
Carried forward at start of financial year	63	75
Referrals received	39	41
Referrals rejected ¹	45	32
Number of investigations completed	9	21
Active cases and awaiting investigation ²	48	63

¹ This figure represents new referrals rejected and previously accepted cases that have been removed from backlog

² As at 28/2/21 and 31/3/19 respectively.

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2020/21 National Fraud Initiative (NFI) is underway. An initial set of 505 matches have been received from the NFI which cover a range of council services. Work on reviewing these matches is ongoing.</p> <p>The NFI will also conduct data matching exercises on Covid-19 grant payments to detect fraud and error, but the results of this part of the exercise have not been released yet.</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">• Covid-19 Grants – Seven referrals relating to potential Covid-19 grant related fraud have been referred to the team. Two investigations resulted in grant payments being blocked. There are currently five investigations ongoing.• Council Tax Support fraud – To date the team has received 24 referrals for possible CTS fraud and £11k of savings has been identified through fraud investigation in the current financial year. One person was formally cautioned for an offence in this area. There are currently nine cases under investigation.• Council Tax fraud – Eight referrals for council tax fraud have been received in 2020/21. There are currently two cases under investigation.• NNDR fraud – Three referrals for potential NNDR fraud has been received to date.• Internal fraud – There have been no reports of internal fraud against the Council this year.

Activity	Work completed or in progress
Fraud liaison	The counter fraud team acts as a single point of contact for the Department for Work and Pensions for fraud issues and is responsible for providing data to support their investigations. The team has received four requests for information to date.
Fraud Management	<p>In 2020/21 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. • Throughout the Covid-19 pandemic, the counter fraud team have provided support to the Council in preparing for and administering government funded grant schemes. This has included reviewing government guidance and advising on best practice. • In May, the Council's counter fraud transparency data was updated to include data on counter fraud performance in 2019/20, 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 September 2020. The information will contribute to a CIPFA national report detailing the extent fraud against local authorities. • In October, 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. • In November, the counter fraud team raised awareness of fraud internally and amongst the general public as part of International Fraud Week.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="483 256 2011 336">• In March, an anti-fraud leaflet was included with annual council tax bills encouraging residents to report any concerns they have about fraud against the Council.