

COUNTER FRAUD PROGRESS REPORT 2021/22

Date: 29 September 2021

Annex 2



BACKGROUND

- 1 Fraud is a significant risk to local government. Losses to councils are estimated to exceed £7.8 billion annually in the United Kingdom.¹
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. A total of 105 days of counter fraud work has been agreed for 2021/22. This time will be used to investigate allegations of fraud, plan and take part in counter fraud campaigns (e.g. the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the Council's counter fraud framework and associated policies.
- 3 The purpose of this report is to update the Committee on counter fraud activity between 1 April 2021 and 31 August 2021.

FRAUD MANAGEMENT

- 4 Raising awareness of fraud is an important function of the counter fraud team, amongst Council staff and the public. Fraud awareness training is delivered to staff on a rolling basis. Sessions are due to take place with revenues and benefits staff this year.
- 5 Veritau continue to support the Council with Covid-19 related payments. The team works with officers to ensure that the Council meets the government mandated verification, investigation and recovery requirements for Covid-19 related grant payments.
- 6 Veritau attends the Yorkshire and Humber Fraud Investigation Group on behalf of the Council to share best practice and regional fraud threats.
- 7 In May 2021, the Council's counter fraud transparency data was updated to include data on counter fraud work in 2020/21, meeting the Council's obligation under the Local Government Transparency Code 2015.

MULTI-AGENCY WORK

- 8 Work on the 2020/21 National Fraud Initiative is ongoing. The counter fraud team is reviewing over 800 matches flagged during the current exercise, including matches relating to Covid-19 grant payments. Instances of suspected fraud will be considered for investigation.
- 9 Veritau responds to requests for information from the Department for Work and Pensions (DWP) fraud and error service on behalf of the Council. Six information requests have been received to date. In cases where council tax support is in payment, the counter fraud team can jointly investigate with DWP counterparts. No joint working cases have been identified in 2021/22.

¹ Annual Fraud Indicator 2017, Crowe Clark Whitehill

INVESTIGATIVE WORK

- 10 In 2021/22, the team has received 44 referrals of suspected fraud. These cover areas including council tax, council tax support, business rates, housing, and Covid-19 support payments.
- 11 There are currently 16 cases under investigation, covering a range of fraud types.
- 12 During the pandemic, the counter fraud team has established practices to conduct interviews under caution using video conferencing. This will allow interviews to be conducted remotely where in the best interest of the Council and the member of the public (e.g. inability to attend Council offices).
- 13 A summary of investigation work is included in appendix A, below.

APPENDIX A: SUMMARY OF INVESTIGATION ACTIVITY

Activity to date includes the following:

	2021/22 (As at 31/08/21)	2021/22 (Target: Full Yr)	2020/21 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - e.g. repayment of loss) identified through fraud investigation	£2,415	£14,000	£12,687
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	67%	30%	37%
Amount of savings from the prevention of Covid-19 grant fraud	£8,097	n/a	£30,000

Caseload figures for the period are:

	2021/22 (As at 31/08/21)	2020/21 (Full Year)
Referrals received	44	96
Referrals rejected	31	51
Number of cases under investigation	16	18 ²
Number of investigations completed	3	20

² As at the end of the financial year (i.e. 31/03/2021)

Work completed or in progress

The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the Council. Activity completed in 2021/22 includes the following:

- **Covid-19 related fraud** – Four reports of Covid-19 related fraud have been received to date. Two Covid-19 grant applications have been investigated which resulted in a payment of over £8k being stopped. There are five ongoing investigations.
- **Council Tax Support fraud** – To date the team has received 31 referrals for possible CTS fraud. No new fraud or error has been detected during the current financial year but savings of £1.3k have been identified from previous cases. There is currently one case under investigation.
- **Council Tax Fraud** – Five referrals for council tax fraud have been received in 2021/22. There are currently seven cases under investigation. One investigation resulted in a warning being issued in relation to a Single Person Discount award.
- **Housing Fraud** - The team has received two referrals for investigation in the year. There are currently three ongoing investigations in this area.
- **NNDR fraud** - One referral for NNDR fraud has been received in 2021/22. To date, no fraud and error has been detected in this area. No cases are currently under investigation.
- **Internal fraud** – No cases of internal fraud have been reported this year.