



Selby District Council

Summary of Counter Fraud Activity 2017/18

Counter Fraud Manager:
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Date:

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25th July 2018

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 Selby District Council. A corporate fraud service aims to prevent, detect and deter any fraud or 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 annex A of this report. Investigations this year have led to the £22k of actual savings being produced for Selby District Council. Overall, 44% 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).	44%	44%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£22,194	£39,858
Amount of notional savings (estimated savings - e.g. housing tenancy fraud) identified through fraud investigation.	£18,400	£18,000

Caseload figures for the period are:

	2017/18 (Full Year)	2016/17¹ (Full Year)
Referrals received	81	187
Referrals rejected	43	30
Number of cases under investigation ²	15	38
Number of investigations completed	41	81

¹ Work currently undertaken by the counter fraud team has changed from 2016/17. Debt recovery checks are no longer undertaken which can make comparison between the two years misleading. The number of referrals received and cases completed to date in 2017/18 represents an increase on the previous year.

² 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>The 2016/17 National Fraud Initiative (NFI) was completed last year.</p> <p>The NFI are running a 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, Ryedale 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 56 referrals for possible CTS fraud. Over £11k in falsely obtained discounts were detected. Two people were cautioned for CTS offences. One person who failed to declare their true income to the council, which was in excess of £200k over a three and half year period, was successfully prosecuted. This was the council’s first Council Tax Support prosecution. There are currently 10 cases under investigation. • Council Tax/Non Domestic Rates fraud – 15 referrals for council tax or business rates fraud were received in 2017/18. Over £9,000 in savings were achieved in this area during the year. The council successfully prosecuted its first Council Tax discount fraud in 2017/18. The case involved a man who falsely claimed single person discount for more than three years and initially lied about the situation to investigators when interviewed. There are currently 4 cases under investigation. • Housing Fraud - The team received 9 referrals for investigation in the year. The council recovered its first sublet property through criminal investigation this year and the former tenant was cautioned for the offence. The investigation involved joint work with North Yorkshire Police – two properties were searched and evidence was found that helped secure the return of the council property. There are currently 6 ongoing investigations in this area.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • Parking Fraud - The team continues to work with the council's outsourced parking enforcement provider, Harrogate Borough Council, to detect and deter disabled blue badge fraud. • Internal fraud – No reports of internal fraud were received in 2017/18.
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 129 requests in 2017/18.</p>
Fraud management	<p>In 2017/18 a range of activity has been undertaken to support the council's counter fraud framework.</p> <ul style="list-style-type: none"> • In January an annual counter fraud report was brought to the Audit and Governance Committee. As part of the annual report the counter fraud and corruption policy, counter fraud strategy and counter fraud risk assessment were reviewed. • 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 February for Tenancy Fraud Awareness Week, Veritau and the council raised awareness of housing fraud issues to staff and residents. • In March a message promoting the council's fraud hotline was printed on envelopes containing council tax and business rate billing. • The counter fraud team continues to alert council departments to emerging local and national threats through a monthly bulletin and specific alerts.