



COUNTER FRAUD ANNUAL REPORT 2024/25

Date: 14 May 2025

ANNEX 1

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Jonathan Dodsworth
Assistant Director -
Corporate Fraud



Max Thomas
Head of
Internal Audit



BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to City of York Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 This report provides the Audit and Governance Committee with a summary of counter fraud activity completed in 2024/25. It also details whistleblowing reports received and the types of concerns that have been reported.



KEY PERFORMANCE FIGURES

- 5 Veritau helped the council to achieve £245k in counter fraud savings in 2024/25, against an annual target of £200k.
- 6 The team received 428 referrals of suspected fraud during the year including reports from the public, council employees, external agencies, and issues identified through proactive exercises. One hundred and three investigations were completed in 2024/25 with successful outcomes achieved in 48% of cases³.
- 7 Two council properties were recovered following investigations by the counter fraud team, two people accepted formal cautions, warnings were issued to 15 people, seven internal fraud investigations were completed, one Right to Buy application was stopped, one application for housing was stopped, and debts owed to the council were calculated in a further 13 cases.
- 8 In addition, the counter fraud team reviewed 123 applications made under the Right to Buy scheme and one application for school placement.

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons

² [An overview of the impact of fraud and error on public funds](#), National Audit Office

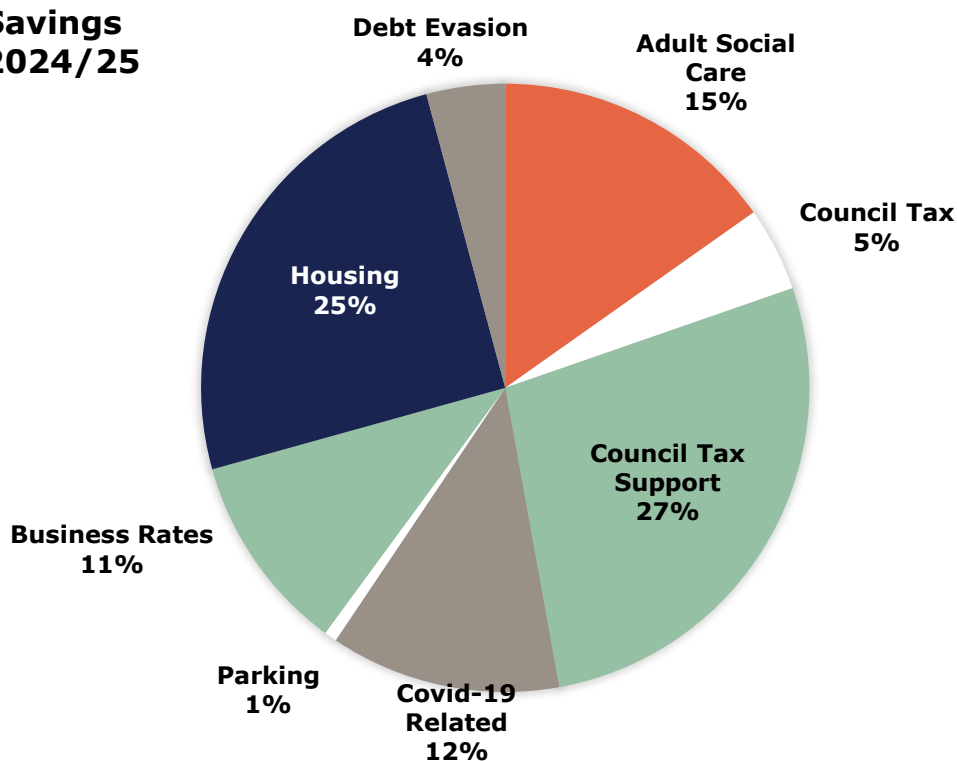
³ Outcomes are considered to be successful when fraud or error is found as a result of an investigation.

9 A detailed summary of performance can be found in appendix A, below.

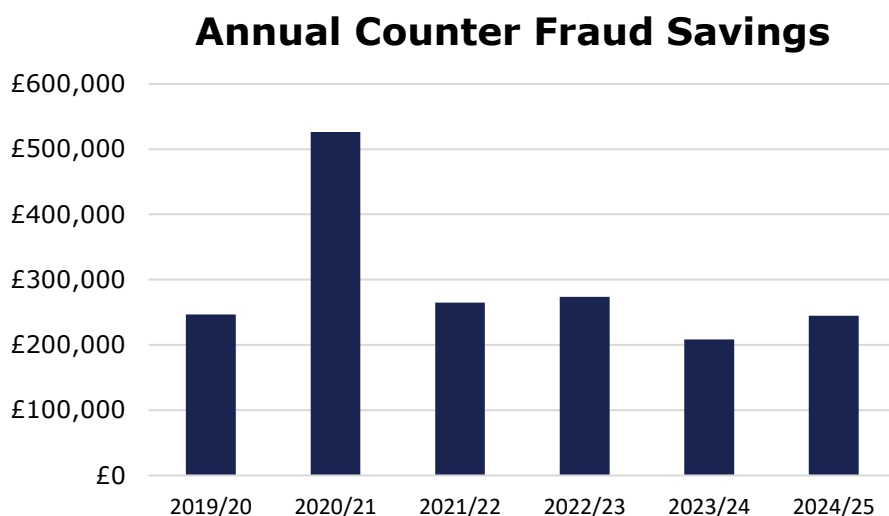
ANALYSIS OF RESULTS

10 Veritau has an annual target of £200k to achieve in fraud related savings. These savings comprise the repayment of debt arising following investigative work, a maximum of one year future savings if an investigation has stopped an ongoing fraud that would otherwise have continued, and the prevention of any one-off payments that would have been made without our intervention, eg a Right to Buy discount. The chart below shows the areas where savings were achieved in 2024/25.

Breakdown of Savings 2024/25

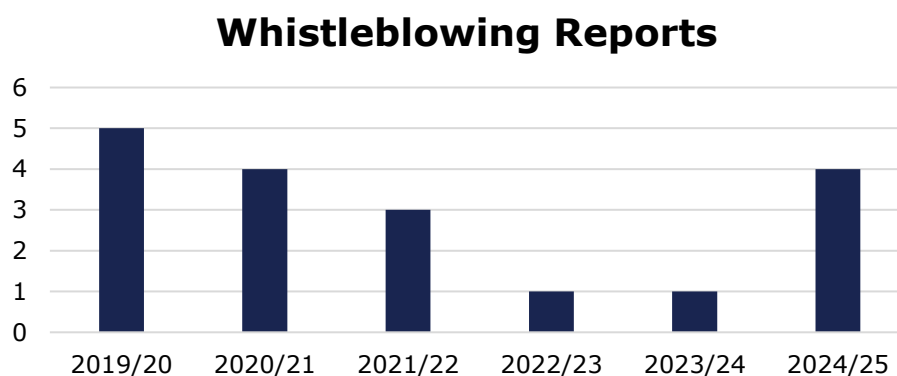


- 11 Over the past six years Veritau has helped the council to achieve £1.8 million in counter fraud savings.⁴



WHISTLEBLOWING

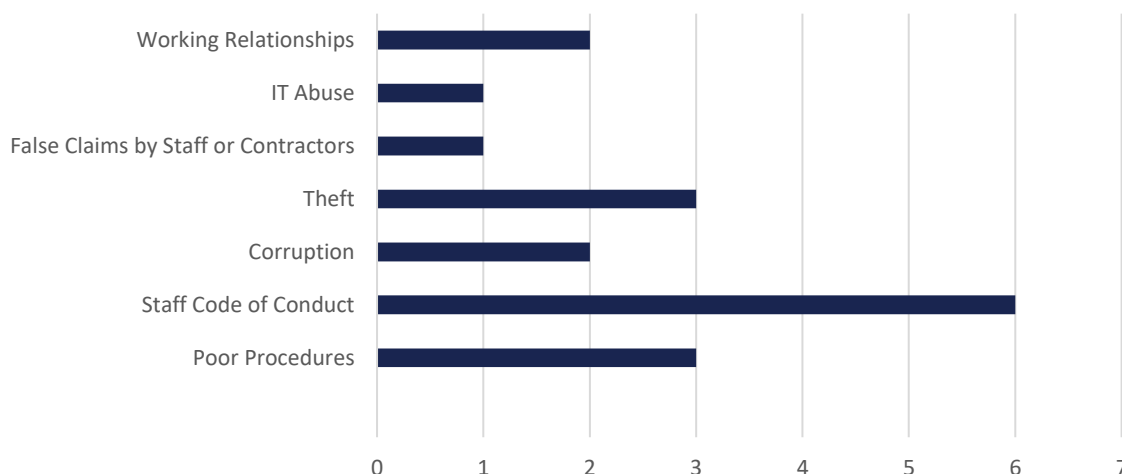
- 12 Veritau supports the council's whistleblowing processes and has had overall responsibility for the policy since 2018. Veritau works with council colleagues within the Human Resources department to ensure that all concerns raised are dealt with appropriately. Awareness of the policy is regularly raised with all council employees including annual publicity for World Whistleblowers' Day in June.
- 13 Four whistleblowing concerns were logged by Veritau in 2024/25 which related to concerns about working relationships, breach of the council's code of conduct, theft, and poor procedures. Investigations into two of the concerns are still ongoing.
- 14 The figure below shows the number of whistleblowing reports recorded over the past six financial years – 18 in total.



⁴ Savings calculated in 2020/21 were higher than average due to savings identified as part of Covid-19 grant related investigations.

- 15 The following figure details the categories of whistleblowing reports received over the same period.

Whistleblowing Concerns by Type



COUNTER FRAUD MANAGEMENT

- 16 Veritau undertakes a range of non-investigative activity to support the development of counter fraud arrangements at the council.
- 17 The counter fraud team began a pilot compliance project in 2024/25. The project is designed to make an early intervention when information is received that indicates a member of the public has failed to report a change which would affect their entitlement to council tax support or a council tax discount, but the value involved makes it uneconomic to investigate as a potential fraud. In this situation a form is sent to the person in question asking them to provide an update to the council. No action, eg sanction, fine or prosecution, is taken against a member of the public who reports that their claim or discount is incorrect, but they are asked to repay any loss to the council. Engagement from the public has been positive. Savings for the council are currently small but growing as more referrals are put through the new system. A more detailed report will be provided in the new financial year.
- 18 The counter fraud team is an active participant in regional and national counter fraud groups. Veritau represented the council in May at a meeting with the Public Sector Fraud Authority leadership team and Baroness Neville-Rolfe, Minister of State (Cabinet Office) for the last government. The meeting focussed on sharing best practice and increased collaboration between local authorities and government to combat public sector fraud⁵. Veritau is also a member of the Yorkshire and Humber Counter Fraud Group and Tenancy Fraud Forum.

⁵ ["Trailblazing" councils save millions working with government counter fraud squad](#), HM Government

- 19 Veritau participated in and chaired a national Fighting Fraud and Corruption Locally (FFCL) working group examining issues surrounding adult social care fraud. The group published a national report and toolkit designed to encourage and help councils to examine and address adult social care fraud⁶.
- 20 Raising awareness of fraud amongst council employees and the public is an important function of the counter fraud team. Information about the council's whistleblowing policy was published to all employees in June 2025. Cybercrime is also a high-risk area for the council. In October 2024, as part of Cyber Security Awareness Month, Veritau worked alongside the council's communications team to raise awareness amongst all employees of the threat of cybercrime, how to spot it, and how to prevent it from happening.
- 21 Training has also been provided to the Procurement team, Home Upgrade Grants delivery team, Housing department, the Schools Admission team, Children's Social Care team, Parking Enforcement team and Customer Services team. The training covered how the council is affected by fraud, the role of the counter fraud team, different fraud types, how council employees can identify other signs of fraud and report them, and how to spot false or forged documents.
- 22 In October 2024 the government announced changes to the Right to Buy scheme⁷. The maximum discount available was reduced from £102k to £24k for all applications made in Yorkshire and the Humber region after 21 November 2024. News of the reduction led to a significant increase in applications received by the council ahead of the discount reduction date. The counter fraud team undertakes verification checks on all Right to Buy applications to identify potential fraud and money laundering. The team worked closely with colleagues from Housing and Legal to ensure that the checks continued to be delivered quickly to meet the statutory time limits associated with the scheme. Verification checks were made on 123 applications in 2024/25; the majority of these (70%) were for applications submitted after the government's announcement.
- 23 Misuse of blue badges remains an issue in York. The counter fraud team undertook two proactive days of action in 2024/25 – in May as part of a National day of action, and again in December as part of a regional exercise. The work was supported by the charity Disabled Motoring UK and promoted by the council's communication team.
- 24 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti-Fraud Network (NAFN). "Career polygamy" is currently a high profile topic nationally. This type of fraud occurs when someone illicitly works full time for multiple organisations at the same time. The team provides regular intelligence to the council's Human Resources Department about individuals who are found to be polygamously working for other organisations.

⁶ [Adult Social Care Fraud Toolkit](#), Fighting Fraud and Corruption Locally Board

⁷ [Future of social housing protected through Right to Buy reforms](#), HM Government

- 25 The team maintains a fraud reporting telephone number and a dedicated email address⁸. Council employees and members of the public are encouraged to report any concerns they have about fraud affecting City of York Council.

⁸ Any person who wishes to report fraud against the City of York Council can call 0800 9179 247 or email fraud@york.gov.uk

APPENDIX A: COUNTER FRAUD ACTIVITY 2024/25

The table below shows the success rate of investigations and levels of savings achieved through counter fraud work in 2024/25.

	2024/25 (Actual: Full Yr)	2024/25 (Target: Full Yr)	2023/24 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - eg repayment of loss) identified through fraud investigation	£244,639	£200,000	£206,854
% of investigations completed which result in a successful outcome (eg payments stopped or amended, sanctions, prosecutions, and properties recovered)	48%	30%	55%

Caseload figures for the period are:

	2024/25 (Full Year)	2023/24 (Full Year)
Referrals received	428	377
Number of cases under investigation ⁹	84	63
Number of investigations completed	103	119
Number of verification cases completed ¹⁰	124	54

⁹ As at the end of each financial year on 31 March 2024 and 2023 respectively

¹⁰ Verification cases are reviews of applications for Right to Buy and school places

Summary of counter fraud activity

Activity	Work completed
Data matching	<p>The 2024/25 National Fraud Initiative (NFI) data matching exercise began this year. Checks were made to ensure that the council met government data matching requirements and best practice. Data held by the council was securely sent to the Public Sector Fraud Authority in October 2024. Over 2,700 data-matches were returned in December and January which are currently being reviewed.</p>
Fraud detection and investigation	<p>We continue to promote the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity completed in 2024/25 includes the following:</p> <ul style="list-style-type: none"> • Adult Social Care fraud – The counter fraud team completed six investigations in this area. Savings of over £37k were identified in the course of the year. • Council Tax Support fraud – The counter fraud team completed 15 investigations in this area which led to five warnings being issued. A total of £67k in savings was calculated in this area over the course of the year. • Council Tax fraud – Ten investigations were concluded leading to £11k in savings. Almost all of these cases relate to falsely or erroneously claimed single person discounts. • Housing fraud – Working in conjunction with housing management officers, the counter fraud team helped to recover two council properties that were not being lived in by the tenants. The team worked alongside the Housing and Legal departments to run checks on 123 Right to Buy applications. A Right to buy application and • Internal fraud – Five investigations into potential internal fraud or misconduct were completed in 2024/25. • External or third party fraud – The counter fraud team completed seven investigations in this area relating to attempted frauds against the council by third parties. • Parking fraud – The counter fraud team work closely with the council's parking services to address misuse of disabled blue badges and other parking permits within the city. A total of 20 investigations

Activity	Work completed
	<p>were completed in 2024/25. Of these, three related to the misuse of residential parking permits. Two people were cautioned in lieu of prosecution, and six people received warnings. One holiday let owner had their residential parking permit removed.</p> <ul style="list-style-type: none">• Education verification – Veritau works with the school’s team to investigate and deter false applications for school places. One application for a school place was verified in 2024/25 and it was found to be correct.• Covid-19 related fraud – There are no ongoing investigations relating to Covid-19 related fraud, however the council continues to recover money from previous overpayments generated as a result of older investigations.