

**COUNTER FRAUD ACTIVITY 2017/18**

The table below shows the level of savings achieved through counter fraud work during the current financial year.

	<b>2017/18 (Actual: Full Yr)</b>	<b>2017/18 (Target: Full Yr)</b>	<b>2016/17 (Actual: Full Yr)</b>
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£298,155	£100,000	£346,944
Amount of notional savings (estimated savings - e.g. housing tenancy fraud) identified through fraud investigation.	£41,600	£250,000	£144,400

**Caseload figures for the period are:**

	<b>2017/18 (Full Year)</b>	<b>2016/17 (Full Year)</b>
Referrals received	365	290
Number of cases under investigation	120 <sup>1</sup>	103 <sup>2</sup>
Number of investigations completed	209	155

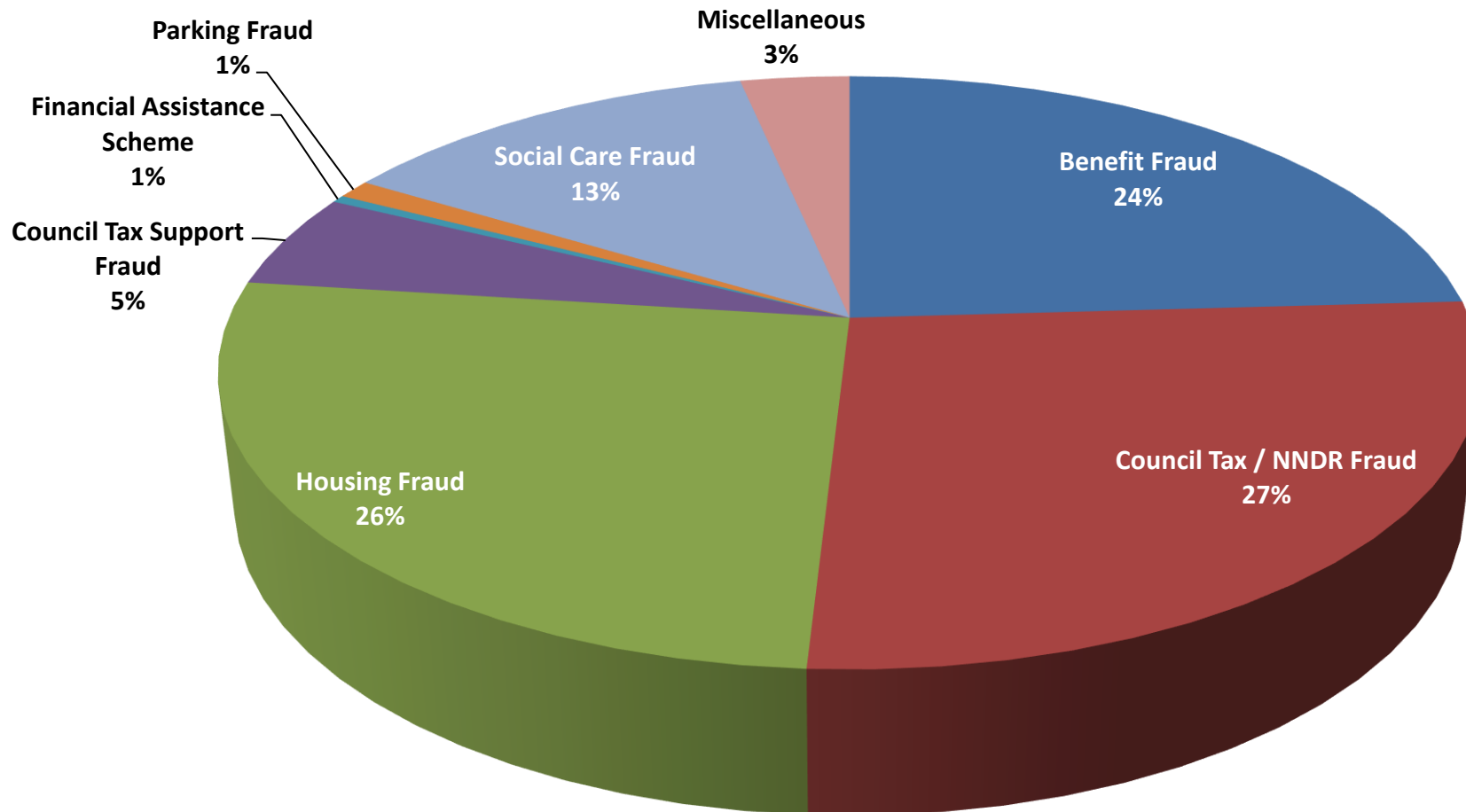
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<sup>1</sup> As at 31/3/18

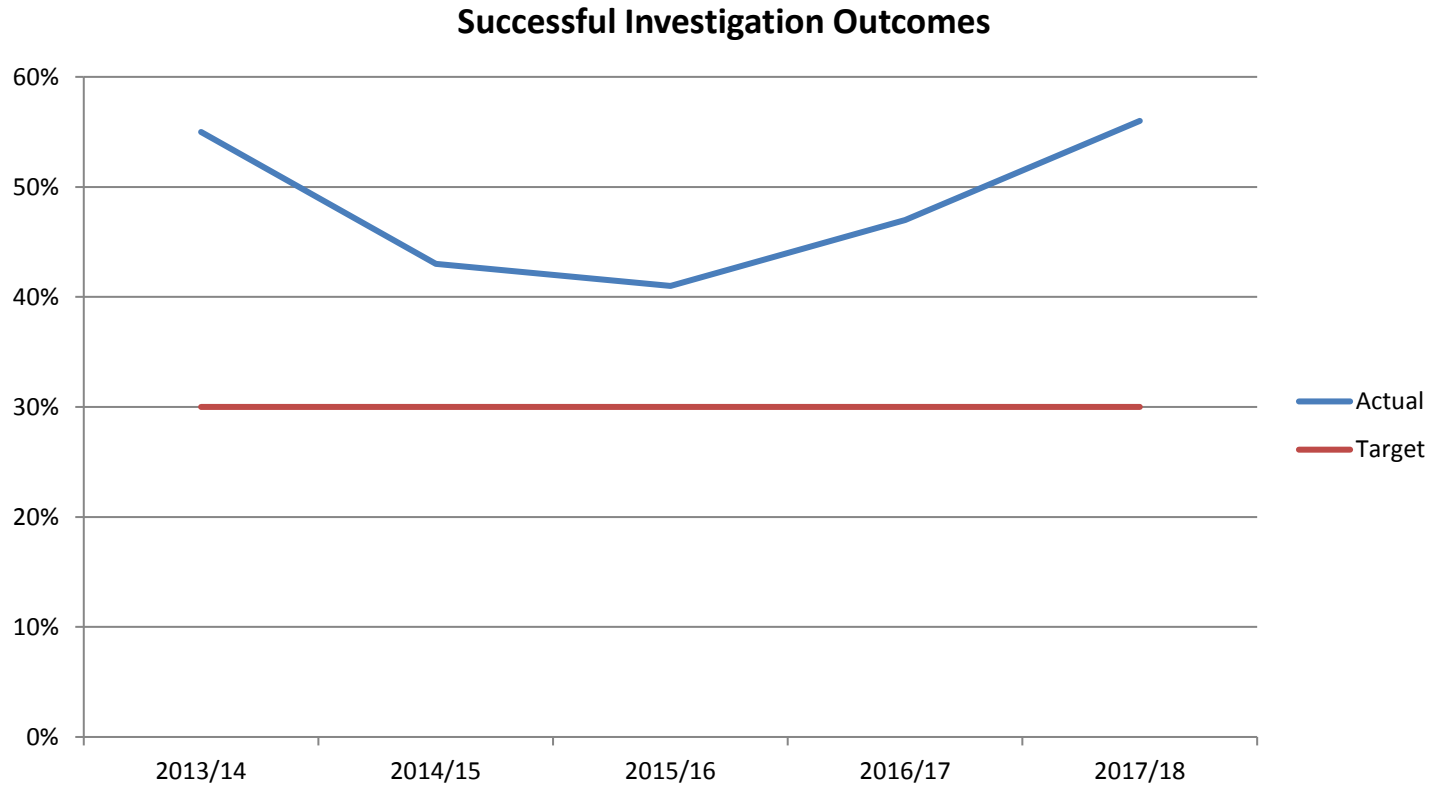
<sup>2</sup> As at 31/3/17

The chart below shows a breakdown of actual savings in 2017/18 by different areas of work.

## Actual Savings by Area

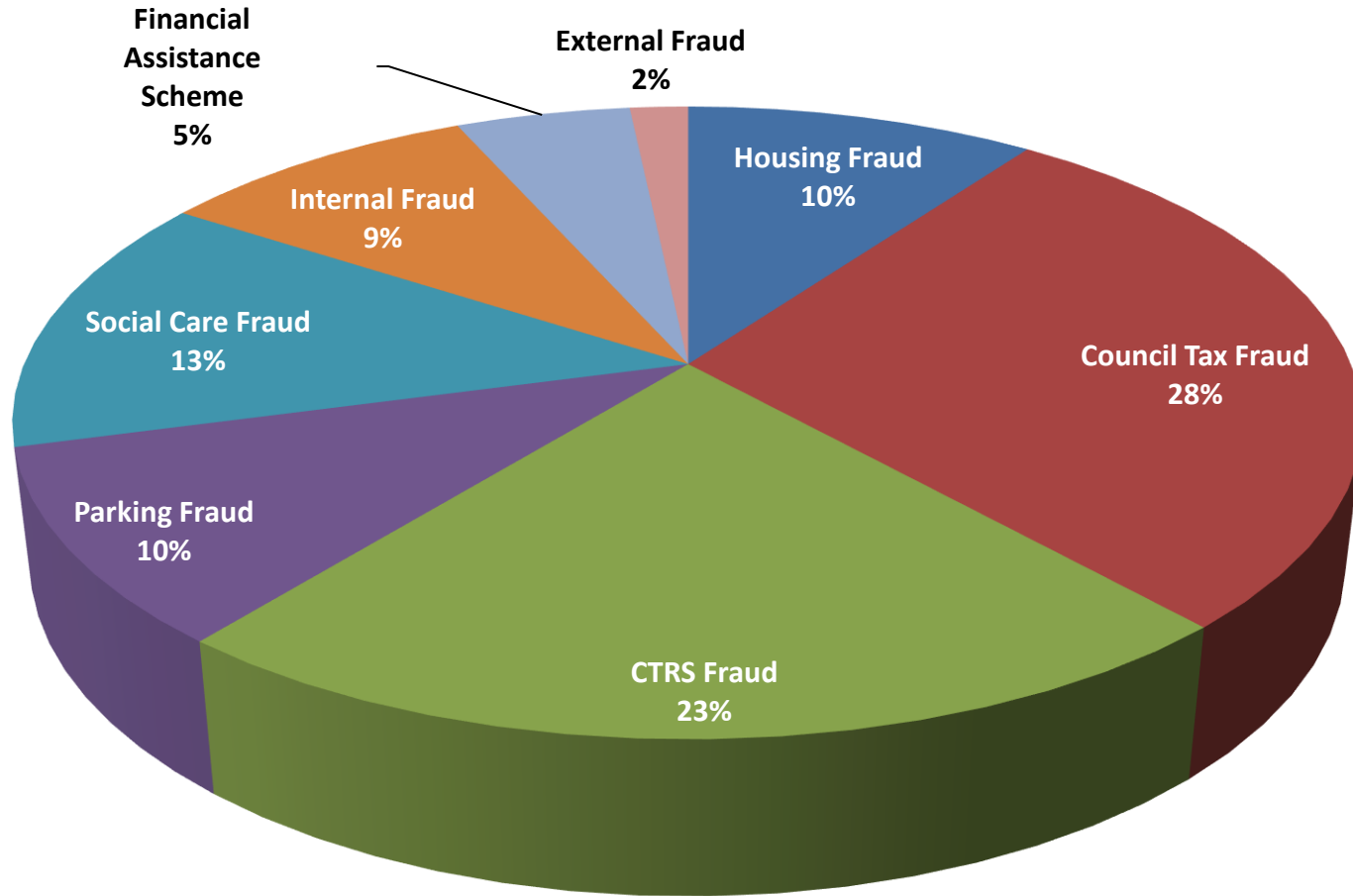


The agreed target for successful outcomes from investigations is 30%. Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked, or management action taken. The graph below shows percentage success rates over the last 5 years.



The chart below shows the proportion of different case types under investigation at the end of the 2017/18.

## Active Investigations by Type



## Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative is soon to begin. Data will be gathered ahead of an October submission date.</p> <p>The NFI are running an additional pilot exercise looking at business rate 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 Leeds City Council, Harrogate Borough Council, Selby DC, Ryedale DC, Hambleton DC, Richmondshire DC, Doncaster MBC, Kirklees MDC, and Barnsley MBC. Results from the exercise are expected to be released in December.</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 to date includes the following:</p> <ul style="list-style-type: none"> <li>• <b>Social Care fraud</b> – is a substantial risk to the council and remains an area of development for the fraud team. In 2017/18 the team identified over £169k of losses to the council in this area and helped to recover £38k. Following a referral to the Police, two people were convicted of fraud offences in January 2018 and both were given two year custodial sentences. There are currently 15 ongoing investigations.</li> </ul> <p><b>Council Tax/Non Domestic Rates fraud</b> – In 2017/18 the team received 69 referrals for potential fraud in this area. The council prosecuted two people for council tax fraud including the longest running single person discount fraud ever detected at the authority – 17 years. In addition, 3 people were cautioned for council tax fraud offences and 5 people have received warnings. Nearly £80k from this area of investigation was recovered for the council. There are currently 42 ongoing investigations into Council Tax and Non Domestic Rates fraud.</p> <ul style="list-style-type: none"> <li>• <b>Housing fraud</b> – In the last financial year working in conjunction with housing officers , one</li> </ul>

Activity	Work completed or in progress
	<p>property was recovered due to illegal subletting, one false Right to Buy was stopped and two properties were prevented from being let where the prospective tenants had provided false information in their housing application. There are currently 13 ongoing investigations in this area.</p> <ul style="list-style-type: none"> <li>• <b>Internal fraud</b> - The team received 11 referrals for potential internal fraud in 2017/18 and 9 cases are currently under investigation.</li> <li>• <b>York Financial Assistance Scheme fraud</b> – The fraud team received 20 referrals in the last financial year. One person was cautioned and 12 people received warnings for misuse of the scheme. There are currently 5 ongoing investigations.</li> <li>• <b>Council Tax Support fraud</b> – In 2017/18 the fraud team completed 36 investigations into potential CTS fraud and the team identified over £15k in savings. There are currently 32 cases under investigation. One person was cautioned and 12 people were issued formal warnings.</li> <li>• <b>Parking fraud</b> – The fraud team working with the Parking Department held two ‘days of action’ to help detect and deter blue badge misuse within the city. Six cases of badge misuse were detected over the two days. In 2017/18 the council prosecuted two people, cautioned 14 people and issued 35 warnings for disabled badge or parking permit misuse. There are currently 14 cases under investigation.</li> <li>• <b>Education verification</b> – The fraud team works with the schools team to investigate and deter false applications for school placements. Three false applications were blocked in 2017/18.</li> </ul>

<b>Activity</b>	<b>Work completed or in progress</b>
Fraud liaison	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 494 requests on behalf of the council in the last financial year.
Fraud Management	<p>In 2017/18 a range of activity was undertaken to the support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> <li>• In February 2018 the 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. No updates were required to the policy and strategy however an associated action plan was updated to reflect current fraud threats facing the council.</li> <li>• A new 0800 number was launched to allow members of the public to report fraud free of charge.</li> <li>• As part of International Fraud Week in November 2017, the counter fraud team raised awareness of fraud with staff via intranet articles published throughout the week. In addition targeted fraud awareness was provided within the Housing, Parking, Social Care and Benefit departments.</li> <li>• In February 2018, for Tenancy Fraud Awareness Week, Veritau and the council promoted housing fraud issues to staff and residents.</li> <li>• The counter fraud team alerted council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year.</li> </ul>