

COUNTER FRAUD ACTIVITY 2018/19

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

	2018/19 (Actual: 31/10/18)	2018/19 (Target: Full Yr)	2017/18 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£277,932	£200,000	£298,155

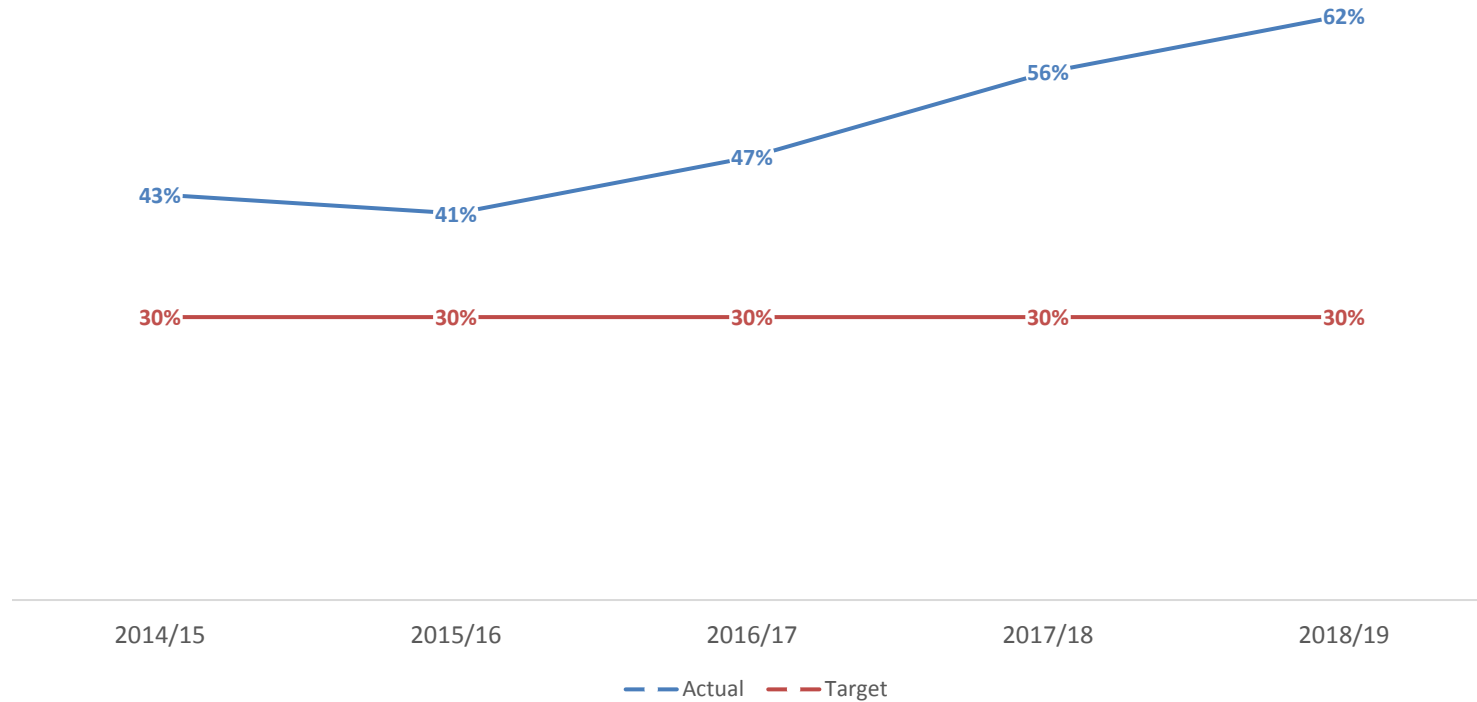
Caseload figures for the period are:

	2018/19 (As at 31/10/18)	2017/18 (Full Year)
Referrals received	184	365
Number of cases under investigation	133	120 ¹
Number of investigations completed	108	209

¹ As at 31/3/18

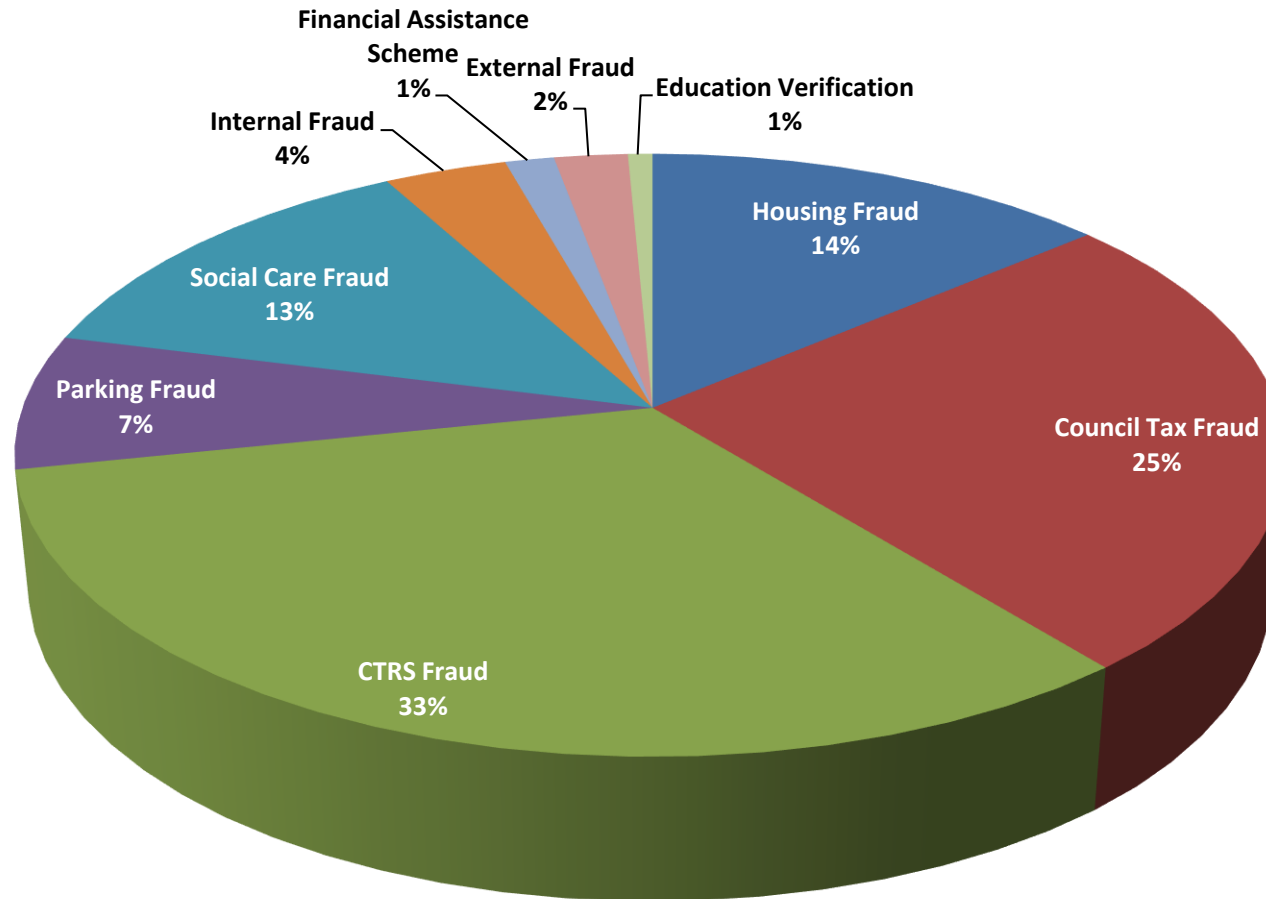
The agreed target for successful outcomes from investigations is 30%. Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked, or management action taken. The graph below shows percentage success rates over the last 4 years and 2018/19 to date.

SUCCESSFUL INVESTIGATION OUTCOMES



The chart below shows the proportion of different case types under investigation as at 31 October 2018.

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 underway. A range of council data was gathered and securely sent to the Cabinet Office for data matching in October. Resulting data matches are expected early in the New Year.</p> <p>The council participated in an NFI Business Rates pilot alongside regional partners. In total, over 10,000 matches were returned at the beginning of October. Initial sampling has been undertaken and a number of the matches have resulted in referrals to the Business Rates team and the Valuation Office Agency (VOA).</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 data-bbox="371 799 1957 1007">• Social Care fraud – This area continues to pose a substantial risk to the council. It represents the highest levels of financial loss due to fraud detected at the council. The counter fraud team work alongside council colleagues to mitigate the risk, investigate potential fraud and recover any losses identified. In the current financial year the team has detected £120k of loss to the council due to social care fraud.<li data-bbox="371 1062 1957 1350">• Council Tax/Non Domestic Rates fraud – Council tax and business rate investigations are an area of focus for the team. They have a direct impact on council budgets and potentially an even greater impact in the future should rate retention policies be implemented, as planned, by central government. To date, 2 people have been successfully prosecuted and a further 10 people and 3 businesses have been cautioned, warned, or found to have underpaid council tax or business rates. In 2018/19 the team has identified £44k of loss to the council in this area.<li data-bbox="371 1406 1957 1485">• Internal fraud - The team has received 7 referrals for possible internal fraud in 2018/19; 7 cases are currently under investigation.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> <li data-bbox="371 197 1948 448">• York Financial Assistance Scheme fraud – The fraud team continues to work with council officers and external organisations to deter fraud against this scheme. In the current financial year two people have been prosecuted by the council for falsely applying for white goods they did not require with the intention of selling them at a reduced cost. They were ordered to repay the council over £800 as well as undertaking community punishment. A further 3 people have been cautioned or warned in relation to fraud against the scheme. <li data-bbox="371 496 1948 624">• Council Tax Support fraud – In 2018/19 the fraud team has completed 18 investigations into potential CTS fraud. One person has been cautioned and 3 people were issued formal warnings. <li data-bbox="371 671 1948 799">• Housing fraud – Working alongside colleagues in the housing department, the counter fraud team has prevented 3 council homes from being let to applicants who provided false information in housing applications. <li data-bbox="371 847 1948 1142">• Parking fraud – The fraud team work with the parking department to combat blue badge and other types of parking related fraud. The two teams periodically undertake ‘days of action’ together where all blue badges are checked to ensure correct usage. During this financial year a couple have been prosecuted for using a blue badge while parking in a disabled parking bay in York city centre and subsequently providing false information to conceal the offence. Both parties pleaded guilty and were fined over £500 by magistrates. A further 14 people have been cautioned or issued warnings relating to parking fraud offences. <li data-bbox="371 1190 1948 1318">• Education verification – The fraud team works with the schools team to investigate and deter false applications for school placements. No cases have been referred to Veritau to date in 2018/19.

Activity	Work completed or in progress
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 has dealt with 251 requests on behalf of the council in 2018/19.
Fraud Management	<p>In 2018/19 a range of activity has been undertaken to support the council's counter fraud framework.</p> <ul style="list-style-type: none"> • Raising awareness of fraud is part of the annual programme of work for the team. Awareness sessions have been provided to the business rates team and housing department in the current financial year. • 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. • During this year's National Fraud Initiative data gathering exercise, the counter fraud team has confirmed that, as part of the council's legal obligation, privacy notices are in place to facilitate data processing. • 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. • A new counter fraud e-learning package was launched in November for council staff. The training seeks to ensure that staff are aware of the types of fraud currently affecting public sector bodies and what to do if they have suspicions it is occurring.