

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: 31/1/19)	2018/19 (Target: Full Yr)	2017/18 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£303,803	£200,000	£298,155

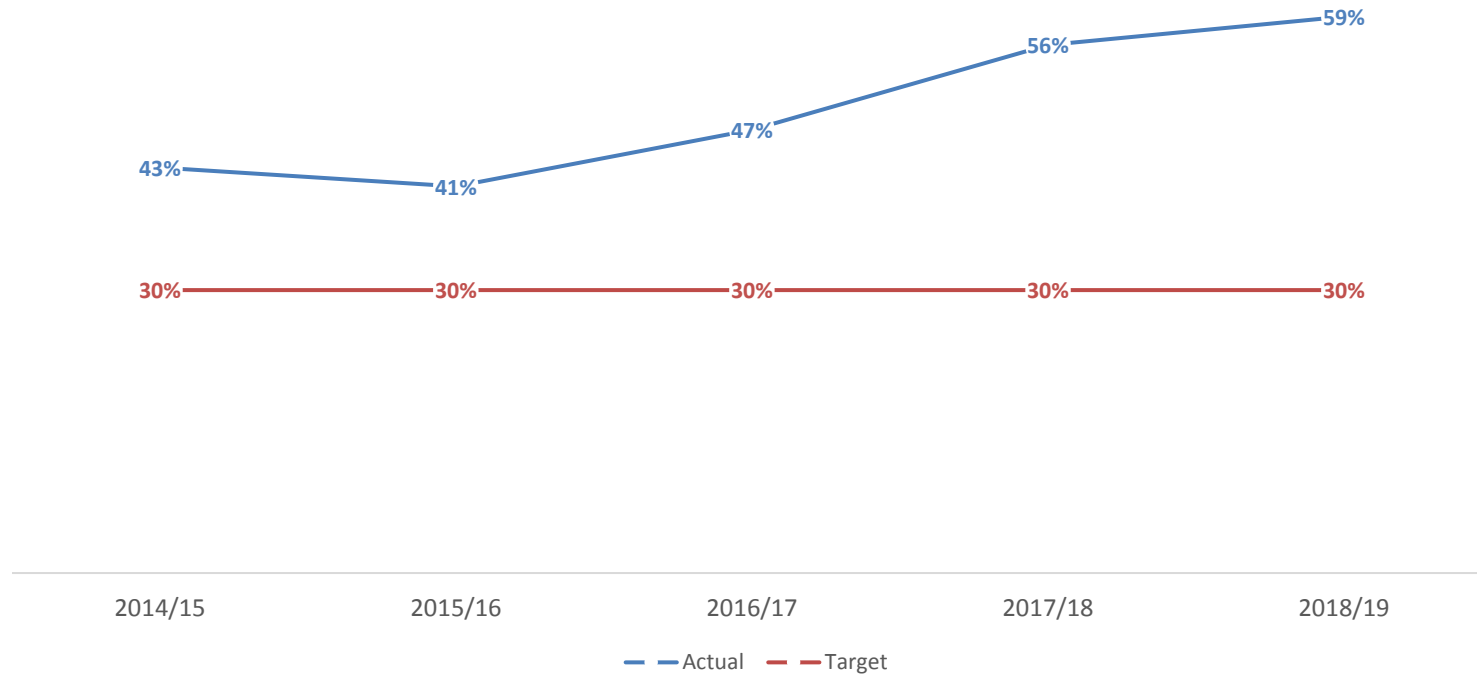
Caseload figures for the period are:

	2018/19 (As at 31/1/19)	2017/18 (Full Year)
Referrals received	281	365
Number of cases under investigation	131	120 ¹
Number of investigations completed	145	209

¹ As at 31/3/18

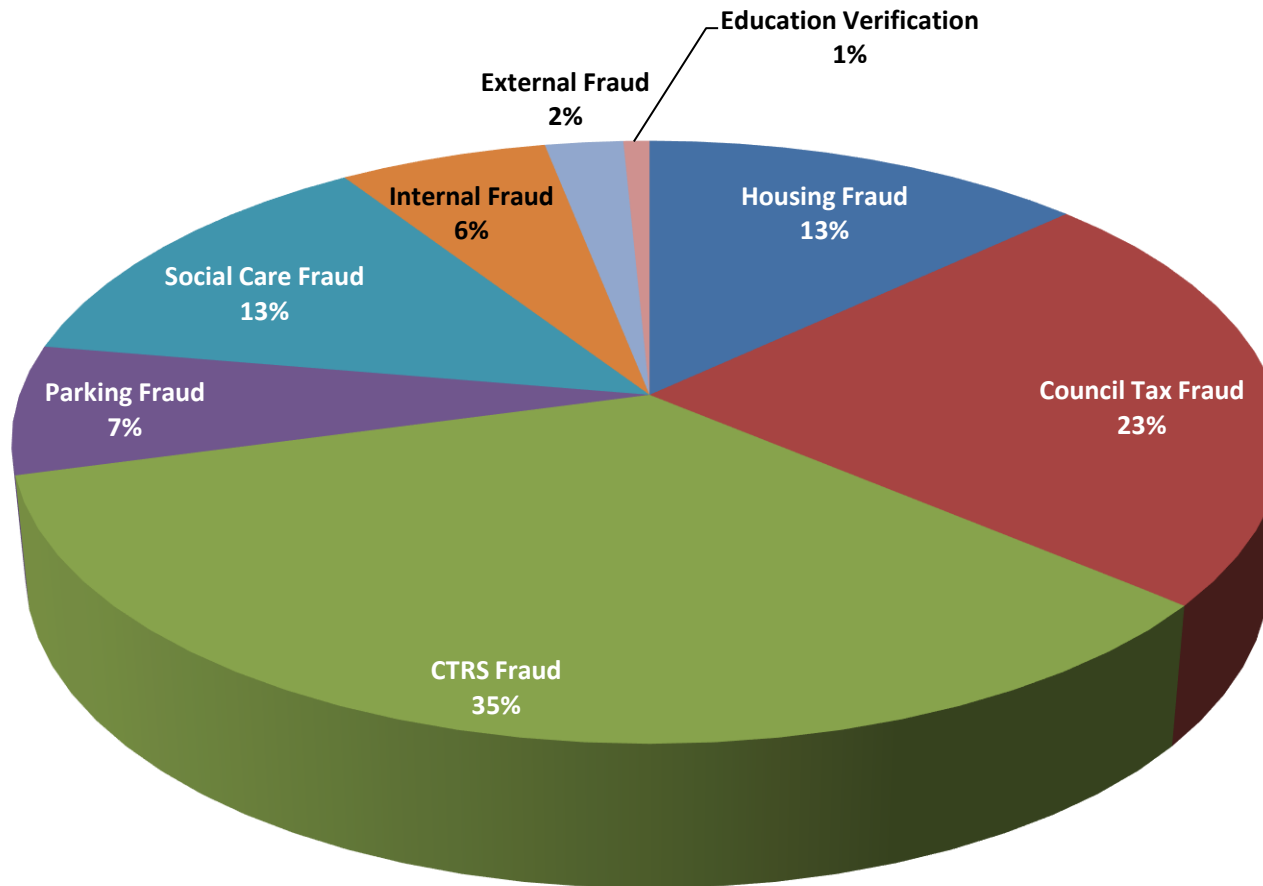
The agreed target for successful outcomes from investigations is 30%. Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked, or management action taken. The graph below shows 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 January 2019.

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. The first tranche of matches has been released with more expected in the coming months.</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. Sampling has been undertaken which resulted in 4 properties being referred to the Valuation Office Agency (VOA), 2 business accounts have been updated and 1 further case has been assigned for investigation.</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="371 837 1957 1050">• 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 over £200k of loss to the council due to adult social care fraud.<li data-bbox="371 1102 1957 1353">• Council Tax/Non Domestic Rates fraud – Council tax and business rate investigations are an area of focus for the team. To date this year, 2 people have been successfully prosecuted; one for a single person discount fraud and one for a false claim for small business rate relief. A further 17 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 over £75k of loss to the council in this area.<li data-bbox="371 1406 1957 1485">• Internal fraud - The team has received 11 referrals for possible internal fraud in 2018/19; 9 cases are currently under investigation.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • York Financial Assistance Scheme fraud – The fraud team works with council officers and external organisations to deter fraud against this scheme. Two people have been prosecuted for false applications this year and a further 4 people have been given warnings in relation to the scheme. • Council Tax Support fraud – Council Tax Support fraud is high volume but of relatively low loss to the council. The team has prosecuted one person during the current financial year. The investigation began following a National Fraud Initiative data match which identified that a person claiming to be unemployed with no capital in fact ran a city centre business and owned a property that was being rented out to tenants. A further 8 people have been cautioned or warned following abuse of the system. • Housing fraud – Working alongside colleagues in the housing department, the counter fraud team has prevented 4 council homes from being let to applicants who provided false information in housing applications. In addition, one false right to buy application has been blocked; if the sale had been allowed to proceed the council would have had to grant a £59k discount on a council house in the Acomb area. • 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. Three people have been prosecuted for disabled badge fraud and related offences this year. A further 22 people have been cautioned or issued warnings relating to parking fraud offences. • Education verification – The fraud team works with the schools team to investigate and deter false applications for school placements. Three investigations have been completed this year which resulted in two applications being stopped.

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 339 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.