

COUNTER FRAUD ACTIVITY 2020/21

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

	2020/21 (Actual: 30/09/20)	2020/21 (Target: Full Yr)	2019/20 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - e.g. repayment of loss, cancellation of right to buy discounts and stopping ongoing fraudulent claims) identified through fraud investigation.	£184,742	£200,000	£246,618
Amount of savings identified relating to Covid-19 business grant related fraud	£131,000	n/a	n/a

Caseload figures for the period are:

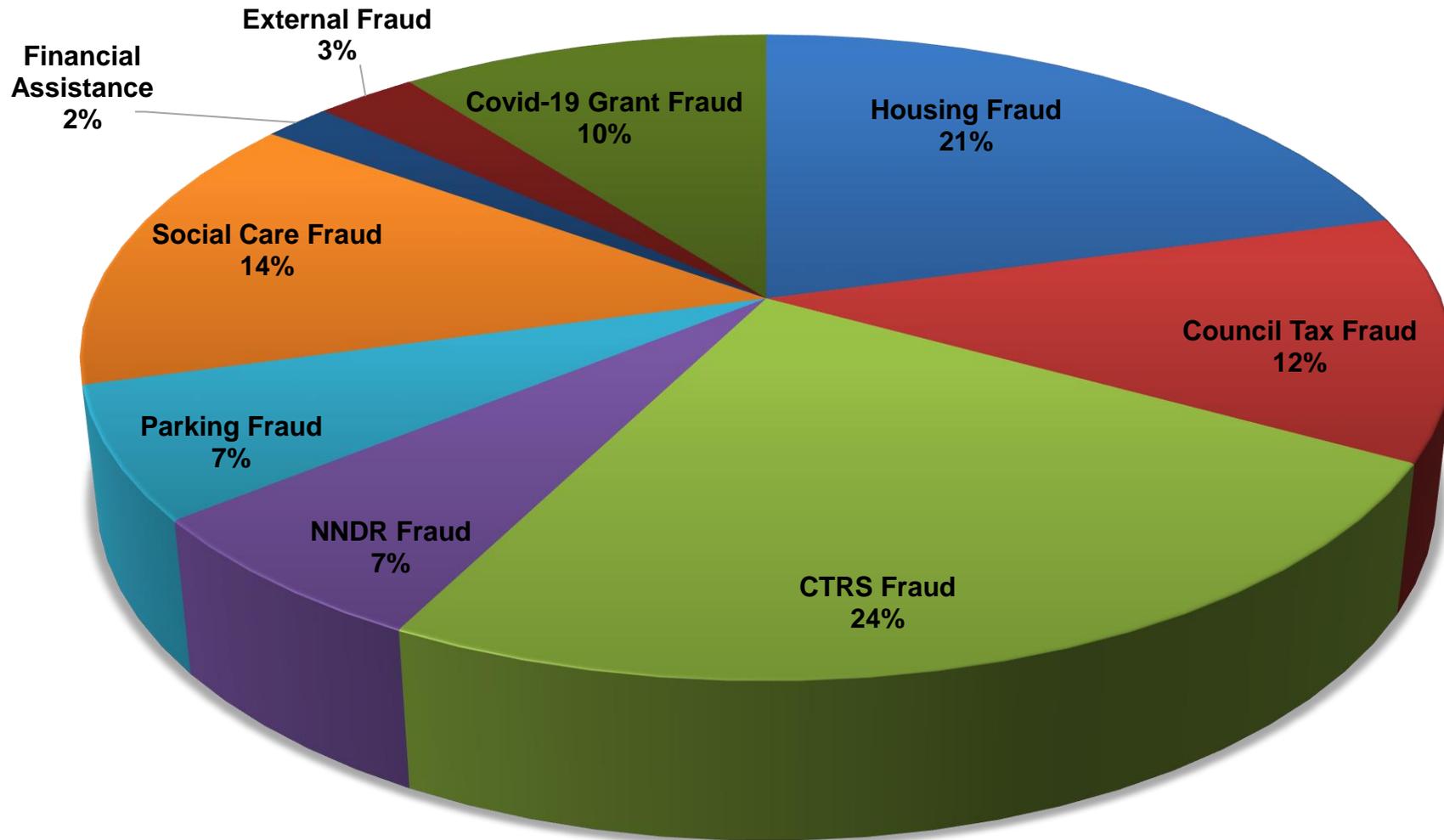
	2020/21 (As at 30/9/20)	2019/20 (Full Year)
Referrals received	158	384
Number of cases under investigation	106	94 ¹
Number of investigations completed	93	172

¹ As at 31/3/20

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 2020/21 to date.



The chart below shows the proportion of different case types under investigation as at 30 September 2020.



Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2020/21 National Fraud Initiative (NFI) exercise is currently underway. The counter fraud team is assisting the Council in gathering the required datasets which will be sent to the Cabinet Office for data matching. The team has reviewed privacy notices to ensure that the Council meets its obligations around the use of this data. Matches are expected to be released from February 2021 onwards.</p> <p>The NFI exercise will also conduct data matching exercises on Covid-19 grant payments to detect fraud and error.</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"> • Covid-19 Grants – The counter fraud team has investigated 18 cases of potential grant fraud which resulted in 11 grants being stopped pre-payment or grant money being recovered where it had already been paid. This work has prevented £131k of loss. Four people have been formally warned about their conduct and there are 9 cases still under investigation. In addition, data matching work prevented £21k of loss to the Council’s Microbusiness Grant Scheme. • Social Care fraud – The counter fraud team have completed 10 adult social care investigations to date and savings of £46k have been produced. There are currently 15 investigations ongoing. • Council Tax/Non Domestic Rates fraud – £29k of savings have been produced in this area. Twelve investigations have concluded and 31 are being actively investigated. • Internal fraud - The team have not received any reports of internal fraud in 2020/21.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • External fraud – The council was the subject of a sophisticated cyber-attack in September 2020. A hacker attempted to divert a large payment meant for a supplier to themselves. The attack was identified and the attempted theft prevented by the diligence of council officers. North Yorkshire Police and the Information Commissioners Office (ICO) have been informed. • Housing fraud – Working alongside colleagues in the housing department, the counter fraud team has prevented two council homes from being let to applicants who provided false information in housing applications. One fraudulent Right to Buy application with a discount of £71k was stopped. Two people have received formal warnings. There are currently 22 cases under investigation. • Parking fraud – The fraud team work with the parking department to combat blue badge and other types of parking related fraud. In 2020/21 fourteen investigations have been completed with seven people receiving warnings for blue badge or parking permit misuse. • Council Tax Support fraud – Council Tax Support fraud is high volume but generally of relatively low value. Four warnings have been issued in this area and £13k in savings have been produced.
Fraud Management	<p>In 2020/21 a range of activity has been undertaken to support the council's counter fraud framework.</p> <ul style="list-style-type: none"> • The counter fraud team alerts council departments to emerging local and national threats. • In May, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2019/20, meeting the council's obligation under the Local Government Transparency Code 2015.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="421 277 1960 400">• In April and May, the counter fraud team assisted the Council by undertaking pre-payment checks on large numbers of applications for Covid-19 grants to prevent fraud and error.<li data-bbox="421 453 1960 576">• In September, the government announced Test and Trace Support Payment scheme. The counter fraud team are supporting the Council in administering the scheme by investigating false claims and liaising with North Yorkshire Police.<li data-bbox="421 628 1960 751">• The council participated in the annual CIPFA Counter Fraud and Corruption Tracker (CFaCT) survey in September 2020. The information will contribute to a CIPFA national report detailing the extent of fraud against local authorities.