



Richmondshire District Council

Counter Fraud Progress Report 2020-21

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Background

- 1 Fraud is a significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 3 Veritau are engaged to deliver a corporate fraud service for Richmondshire District Council. A corporate fraud service aims to prevent, detect and deter fraud and related criminality affecting an organisation.

Covid-19 Grant Fraud

- 4 The Covid-19 pandemic continues to create working issues and new types of fraud for the team to address. In the final quarter of 2020/21 the counter fraud team are continuing to provide support with the council's post-payment assurance plan. Post-assurance checks on the first grant schemes are reaching their conclusion in line with government targets. This work will be supplemented by outputs from the National Fraud Initiative that will be reviewed and investigated as necessary.
- 5 Veritau are continuing to provide input with pre-payment assurance to current schemes through the sharing of national and regional intelligence as well as undertaking investigation in cases of suspected fraud.
- 6 The counter fraud team has completed five investigations of suspected fraudulent Covid-19 grant applications. Three applications were found to be valid and two were blocked. There are two ongoing investigations in this area.

Counter Fraud Performance 2020/21

- 7 Up to 28 February, the counter fraud team achieved £3.5k in savings for the council and blocked £20k of fraudulent Covid-19 grant payments. There are currently 18 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2020/21

The tables below shows the total number of fraud referrals received and summarises the outcomes of investigations completed during the year to date.

	2020/21 (As at 28/02/21)	2020/21 (Target: Full Year)	2019/20 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	48%	30%	62%
Amount of actual savings (quantifiable savings - e.g. CTS) achieved through fraud investigation in the current financial year.	£3,497	£12,000	£15,216
Amount of savings from the prevention of Covid-19 grant fraud	£20,000	n/a	n/a

Caseload figures for the period are:

	2020/21 (As at 28/02/21)	2019/20 (Full Year)
Referrals received	44	49
Referrals rejected	17	17
Number of cases under investigation	18	10 ¹
Number of investigations completed	21	21

¹ As at 31/3/20

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2020/21 National Fraud Initiative (NFI) is underway. An initial set of 549 matches have been released which cover a range of council services.</p> <p>The NFI will also conduct data matching exercises on Covid-19 grant payments to detect fraud and error, but the results of this part of the exercise have not been released yet.</p>
Fraud detection and investigation	<p>The service continues to use 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="427 778 1998 906">• Covid-19 Grants – Five Covid-19 grant applications have been investigated which resulted in two £10k payments being stopped. Three applications were found to be valid. There are two ongoing investigations.<li data-bbox="427 954 1998 1121">• Council Tax Reduction fraud – To date the team has received 20 referrals for suspected CTR fraud. Eight investigations have been completed in the current financial year, and fraud was detected in three cases. Two people have received warnings about their conduct. There are currently four cases under investigation.<li data-bbox="427 1169 1998 1249">• Council Tax fraud – Eight referrals for council tax fraud have been received in 2020/21. There are currently nine cases under investigation.<li data-bbox="427 1297 1998 1377">• Non-domestic rates fraud – Two referrals have been received in this area in 2020/21. One investigation is ongoing.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • Housing Fraud – Two cases of potential fraud have been referred in this area. One Right To Buy application was checked and found to be correct. There is one ongoing investigation into a tenancy issue. • Internal fraud – No internal fraud has been reported in the current financial year. • External fraud – Two suspected mandate fraud cases were investigated this year. Mandate fraud involves criminals attempting to change payment details for the Council’s suppliers. A loss of over £8,000 was prevented due to the vigilance of council staff.
Fraud liaison	The fraud team acts as a single point of contact for the Department for Work and Pensions for fraud issues and is responsible for providing data to support their housing benefit investigations. The team has received four requests for information to date.
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 through a monthly bulletin and specific alerts over the course of the year. • Throughout the Covid-19 pandemic, the counter fraud team have provided support to the Council in preparing for and administering government funded grant schemes. This has included reviewing government guidance and advising on best practice.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="465 256 2002 379">• 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.<li data-bbox="465 432 2002 555">• 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 fraud against local authorities.<li data-bbox="465 608 2002 730">• In October, the counter fraud team ran a cybercrime awareness week, delivering cybercrime awareness information to council employees through a number of bulletins provided over the course of the week.<li data-bbox="465 783 2002 858">• In November, the counter fraud team raised awareness of fraud internally and amongst the general public as part of International Fraud Week.