



Selby District Council

Counter Fraud Progress Report 2019/20



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Background

- 1 Fraud is significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Councils are encouraged to prevent, detect and deter fraud in order to safeguard public finances.
- 3 Veritau are engaged to deliver a corporate counter fraud service for Selby District Council. A corporate counter fraud service aims to prevent, detect and deter fraud and related criminality affecting an organisation. Veritau deliver counter fraud services to the majority of councils in the North Yorkshire area as well as local housing associations and other public sector bodies.

Counter Fraud Performance 2019/20

- 4 Up to 30 September, the fraud team detected £9.8k of loss to the council and achieved £4.8k in savings for the council as a result of investigative work. There are currently 15 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2019/20

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

	2019/20 (As at 30/09/19)	2019/20 (Target: Full Year)	2018/19 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	88%	30%	50%
Amount of actual savings (quantifiable savings - e.g. CTS and CTAX) identified through fraud investigation.	£4,831	£14,000	£22,474
Amount of Right to Buy savings (savings through the cancellation of discounts through investigative work)	£78,200	n/a	£0

Caseload figures for the period are:

	2019/20 (As at 30/09/19)	2018/19 (Full Year)
Referrals received	49	112
Referrals rejected	24	61
Number of cases under investigation	15	12 ¹
Number of investigations completed	8	20

¹ As at 31/3/19

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative (NFI) is ongoing. Initial matches were released in March 2019 with further batches added over the past 6 months. In August, a final batch of 63 matches was released as a result of the matching of councils' data with HMRC data. This is the first time HMRC have been able to share their data with the NFI. A total of 599 matches have been identified and these are under review by the counter fraud team and relevant council departments.</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">• Council Tax Support fraud – To date the team has received 26 referrals for possible CTS fraud. Fraud and error of £6k has been detected during the current financial year, with savings of £4.8k achieved. There are currently 3 cases under investigation.• Council Tax fraud – 16 referrals for council tax fraud have been received in 2019/20. There are currently 8 cases under investigation.• NNDR fraud – Two referrals for NNDR fraud have been received in 2019/20. £3.3k in fraud and error has been detected in this area. Two cases are currently under investigation.• Housing fraud – The team has received five referrals for investigation in the year. There are currently 2 ongoing investigations in this area. An RTB application was stopped as a result of an investigation, producing £78k in savings.• Internal fraud – No cases of internal fraud have been reported this year.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • External fraud – An investigation regarding a cybercrime committed against the council was concluded this year. • Parking fraud – No cases relating to parking fraud have been reported this year.
Fraud liaison	<p>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 53 requests on behalf of the council in 2019/20.</p> <p>In May 2019, the DWP began new joint working arrangements with councils in the Yorkshire and Humber region. Joint working involves council fraud investigation officers working with DWP counterparts to investigate benefit fraud that affects both organisations. To date there have only been a few joint investigations started and none have yet been completed.</p>
Fraud Management	<p>In 2019/20 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. • In May, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2018/19, meeting the council's obligation under the Local Government Transparency Code 2015. • The council participated in the annual Cipfa Counter Fraud and Corruption Tracker (CFaCT) survey in June 2019. The information will contribute to a Cipfa national report detailing the extent fraud against local authorities.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="465 300 2000 424">• In September, 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.