

**AUDIT COMMITTEE: 10 September 2019**

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**INTERNAL AUDIT INVESTIGATION TEAM PROGRESS REPORT**

**REPORT OF THE AUDIT MANAGER**

**AGENDA ITEM: 10.2**

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**Reason for this Report**

1. The Audit Committee's Terms of Reference requires Members to:
  - Review the assessment of fraud risks and potential harm to the council from fraud and corruption.
  - Monitor the Counter-fraud strategy, actions and resources.
2. This report has been prepared to provide Audit Committee with an update on the work of the Audit Section's Investigation Team, as at the 16<sup>th</sup> August 2019.

**Background**

3. The Audit Manager prepares quarterly progress reports, outlining the work undertaken by the Investigation Team, its key outputs and outcomes.
4. Progress reports focus on the proactive and reactive investigation activities underway, including participation in initiatives, such as National Fraud Initiative (NFI) data matching exercises. Information is also provided on the officer training delivered by the team.

**Issues**

Progress Update

5. The progress report included in Appendix A, highlights that whilst the large-scale internal investigation within the Waste Management Service concluded in 2018/19, associated disciplinary hearings and the Police Investigation are ongoing.
6. A higher number of referrals have been received than last year, and the team continues to risk assess and prioritise cases to ensure that investigations are undertaken as necessary. Completed investigations have increased compared to last year, whilst there are 66 current investigations ongoing.
7. The value of concluded reactive investigations exceeds £29k, and as part of wider support work this year a £6k housing benefit overpayment has been generated, two individuals have been removed from the electoral register, two referrals have been made to the Insurance Team and one referral has been made to Rent Smart Wales.

8. Mandatory Investigating Officer training will continue to be delivered this year, as required. One session was delivered During April.
9. The team has successfully recruited a new investigator, subject to vetting, they should commence duties by the beginning of October 2019.

### Initiatives

10. Cabinet approved the Counter-Fraud and Corruption Strategy in July 2019, following Audit Committee review in June. To support the Strategy, a mandatory Fraud Awareness eLearning module has been rolled out to all PC users within the Council. There is a required completion date of 31 March 2020, and monitoring and reporting arrangements are in place.
11. Face-to-Face Fraud Awareness Training has been arranged for the autumn for:
  - Non- PC users through a series of mandatory training events
  - School Headteachers as part of Headteacher Conferences.
12. To further support Schools, a counter-fraud CRSA audit has been arranged for the Autumn Term, which has been introduced through strategic briefings Chairs of Governors and School Budget Forum meetings.
13. New initiatives planned for 2019/20 include:
  - New Anti-Money Laundering Policy
  - Closer Joint working with the Department for Work and Pensions
  - Closer working with Blue Badge enforcement
  - Review of Tenancy fraud arrangements
  - Participation in the International Fraud Awareness Week (17<sup>th</sup> November)
  - Fraud awareness training and campaigns

### Work Experience

14. The team has organised work experience for a South Wales University, Undergraduate student, to help them gain an insight into the different approaches to counter fraud in the Public Sector.
15. In addition to working within the Investigation Team, the student met colleagues from Governance & Legal Services, Shared Regulatory Services, the Department for Work and Pensions, and a visit to NHS Wales Fraud has been arranged for September.
16. The Communications and Media Team have interviewed the student, and a feature is due to be published raising awareness of the benefits to students and the Council of supporting work placements.

### **Legal Implications**

17. There are no legal implications arising from this report.

## **Financial Implications**

18. There are no financial implications arising from this report.

## **RECOMMENDATIONS**

19. That the Committee:

- Notes the content of the progress report

**CHRIS PYKE**  
**AUDIT MANAGER**  
10 September 2019

The following appendices are attached:

**Appendix A:** Investigation Team - Progress Report