



Resources Directorate Internal Audit Section



Investigation Team Progress Report (as at 16th August 2019)

Resources



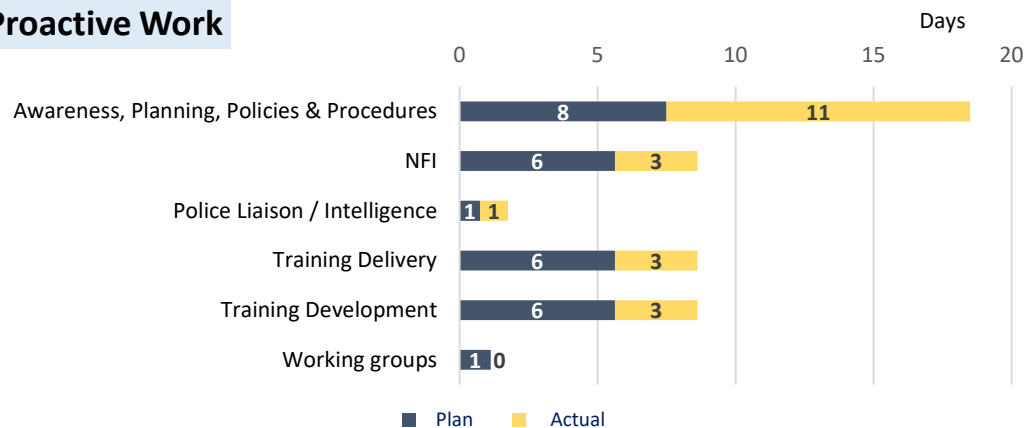
Following a successful recruitment process, an investigator has been offered a position in the Investigation Team. Subject to satisfactory vetting, they should commence duties by the beginning of October 2019.

The Team will then consist of a part time Investigation Assistant, a full time Investigator and a full time Group Auditor (Investigations).

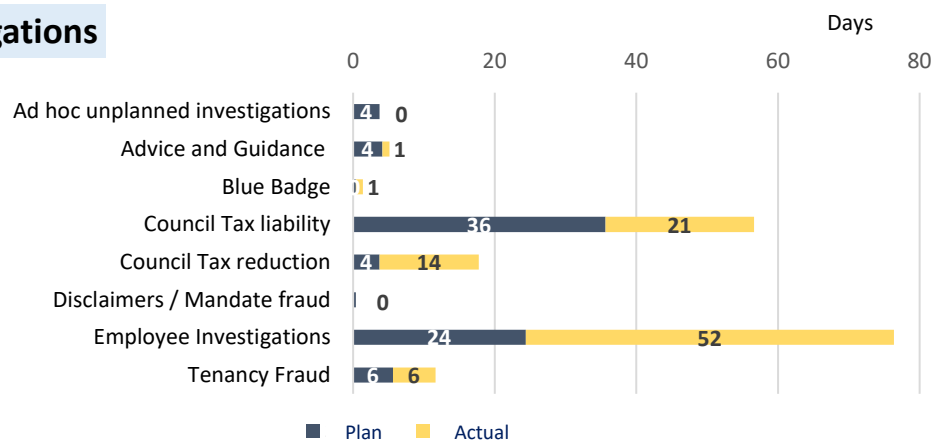
Plan

There were 278 days available (based on 1.5 fte.) in the original 2019-20 Investigation plan. For the financial year to 16th August 2019, the planned days were 104 (inclusive of leave assumptions), of which 116 were applied as follows:

Proactive Work



Investigations

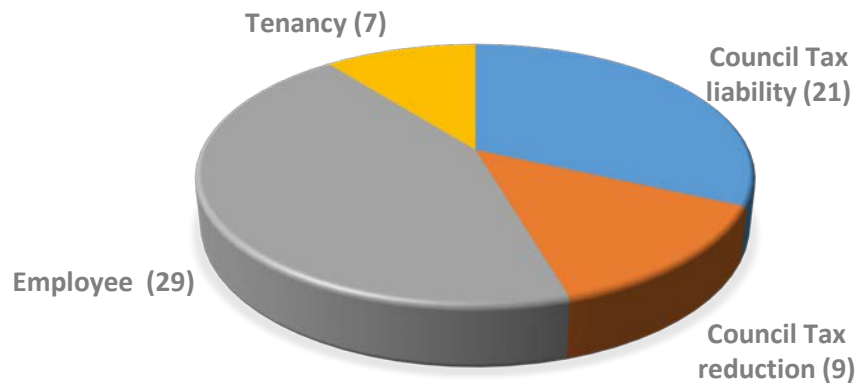


Modelled on the assumption of the new Investigator commencing duties on 1st October 2019, the audit plan would be revised to contain 376 days for 2019-20 financial year. The primary areas where the additional resource will be deployed, is in respect of Council Tax Liability, reduction and tenancy fraud.

Ongoing Investigations

There are currently sixty-six Investigations ongoing:

Ongoing Investigations



As has been reported previously, the Investigation Team has led on a large-scale, complex investigation, within the Waste Management Function. Whilst this investigation concluded in 2018/19, associated disciplinary hearings have been taking place during the reporting period. The criminal investigation is ongoing, and the team continues to support the Police with their enquiries.

Further to a HM Revenue and Customs review of landfill tax charged to customers, the Investigation Team is at the early stages of a formal investigation.

Fraud Awareness Training

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.

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.

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.

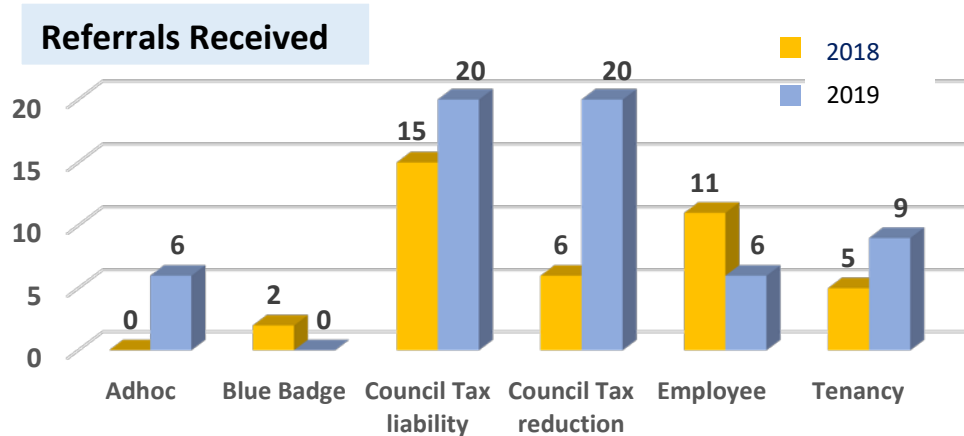
Work Experience

A request was received from the University of South Wales to host a Psychology, Criminology and Criminal Justice undergraduate student, as part of the GO Wales Programme, which supports higher education students who face barriers to accessing work experience.

The student spent a week with the Investigation Team during July, they received an insight into the work of the team and also spent some time with Shared Regulatory Services, and had an opportunity to meet and discuss roles / duties with a Council Solicitor and a Department for Work and Pensions Investigator. The placement was a success, so much so, the student has returned for a further week, observing cases in the Magistrates and Crown Court and will return for a third week during September.

Reactive - Referrals

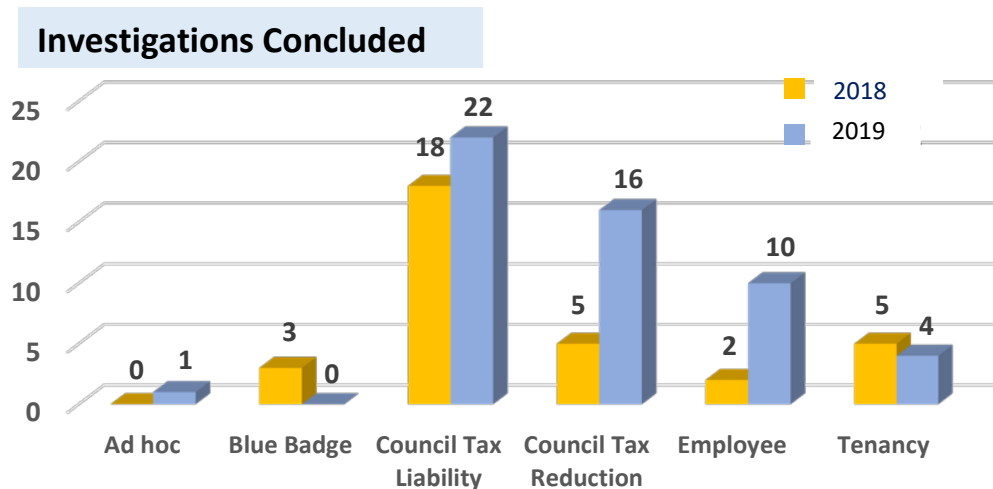
Sixty-one referrals have been received, compared to thirty-nine for the same period last year:



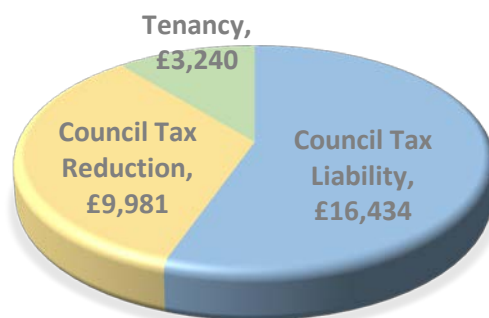
Investigations concluded

Ad hoc referrals related to a potential insurance fraud and a number of requests to undertake pension verification checks.

Fifty-three investigations have been completed, compared to thirty-three for the same period last year:



In respect of the investigations concluded, overpayments have been generated as follows:



Overpayments Generated

The tenancy case related to a housing waiting list applicant who was removed from the list following investigation.

In other cases,

- a Housing Benefit overpayment of £6k was generated;
- two individuals were removed from the Electoral Register;
- seven referrals were made to the Department for Work and Pensions to investigate;
- two referrals were made to the Council's Insurance Team, and a referral was made to Rent Smart Wales.

Blue Badge

The 2018 CIPFA Fraud and Corruption Tracker Report stated that disabled parking concession (Blue Badge) is the second largest growing area of fraud, with an estimated value of £7.3m for cases prevented / detected in 2017/18.

Cardiff Council is currently working with BBFI, a specialist investigation and case preparation company, on a trial basis in order to identify the scale of the problem in Cardiff. Essentially BBFI patrol the streets to look for fraudulent use of blue badges and to gather evidence.

To date fifteen blue badges have been confiscated and a number of cases have been prepared and passed to Cardiff Council solicitors to consider criminal sanctions. A further update will be provided to Audit Committee as the trial progresses.

Public Accounts Committee

Following the Auditor General for Wales report, Counter Fraud arrangements in the Welsh Public Sector, the National Assembly for Wales hosted a Public Accounts Committee (Convention on Counter Fraud in the Public Sector) on the 1st July 2019.

The speakers included the NHS Wales, Welsh Government, CIPFA, and for Local Authorities, representatives from the Welsh Chief Auditors Group and the Welsh Fraud Officers Group. Cardiff Council had an opportunity to feed into the presentation and to ask questions of the panel on the day.

The outcome of the day was that the Auditor General for Wales would produce a follow up report; this will be considered when received and reported to Audit Committee.

Policy Review

The team has been leading on the development of a revised Anti-Money Laundering Policy.

Arrangements are being made for consultation, and a draft Policy will be provided to the Audit Committee for comment at a future Committee meeting.