



Resources Directorate Internal Audit Section



Investigation Team Progress Report

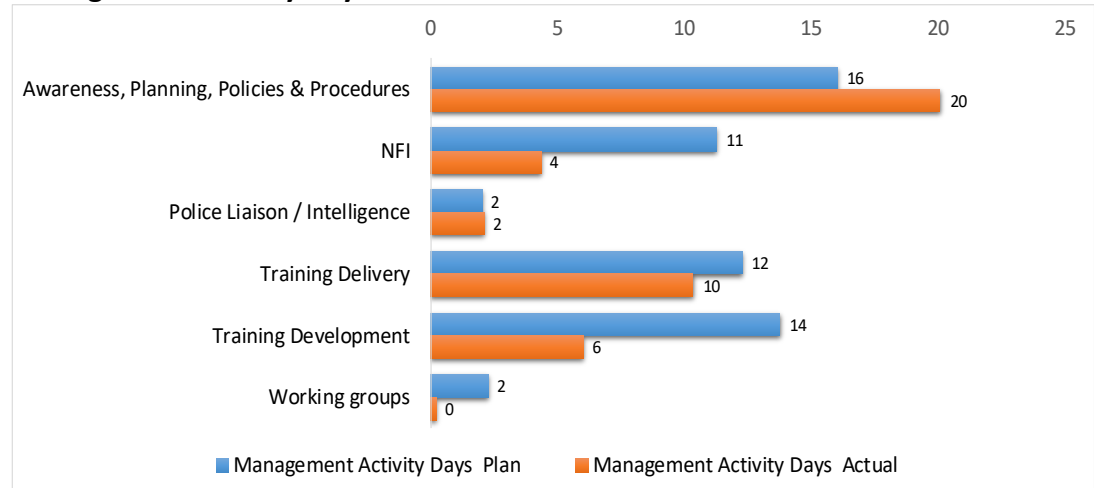
(as at 31st December 2019)

Resources

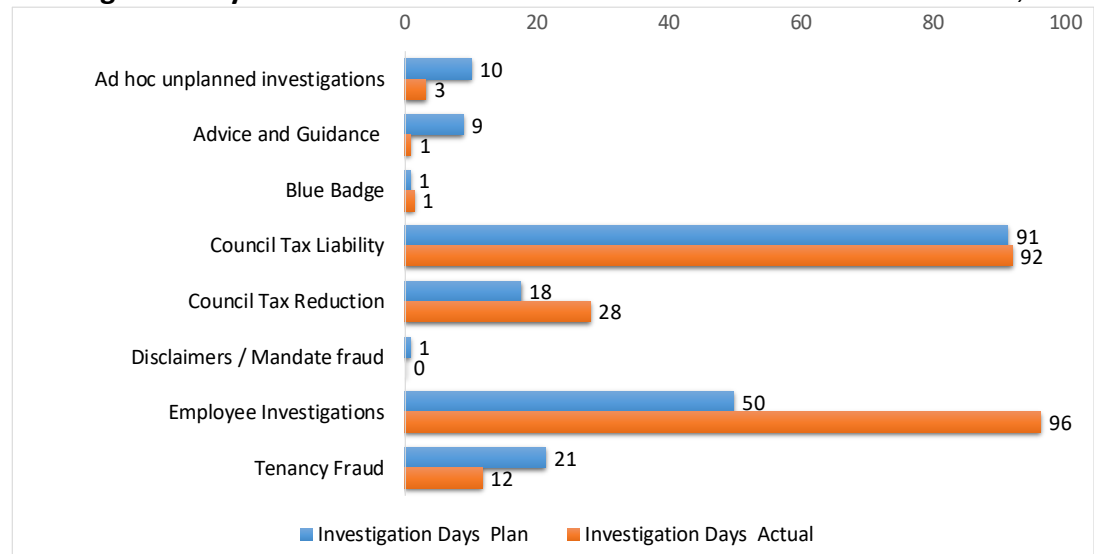


There were 278 days available (based on 1.5 fte.) in the original 2019-20 Investigation plan, which was adjusted to 376 days to account for the additional investigator appointed at the end of quarter 2. For the financial year to 31st December 2019, the team have applied 275 days as follows:

Management Activity Days

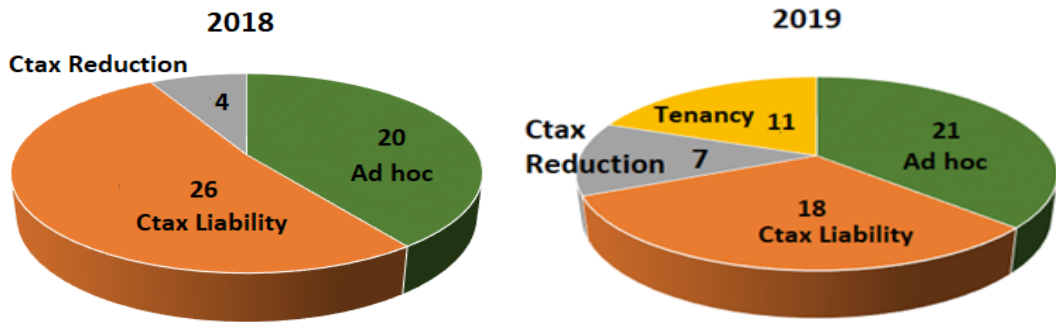


Investigation Days



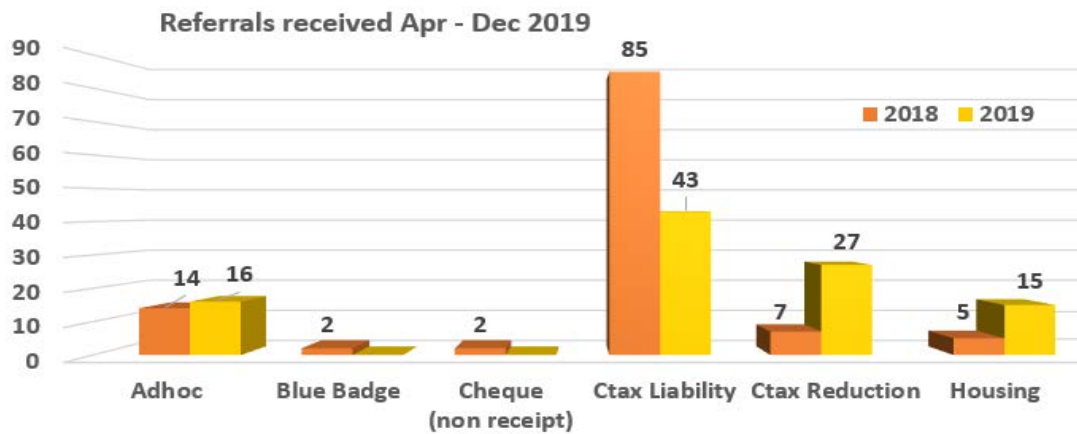
Ongoing Cases

There are currently fifty-seven investigations ongoing, compared to fifty for the same period last year:



Referrals

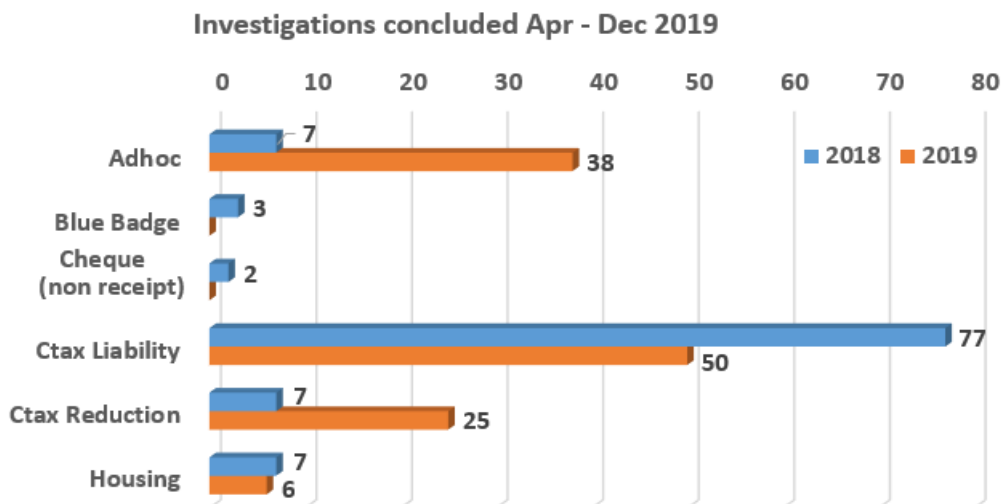
One hundred and one referrals have been received so far this year, compared to one hundred and fifteen for the same period last year:



Ad hoc referrals relate to civil employee investigations and criminal cases not falling under the categories as listed above.

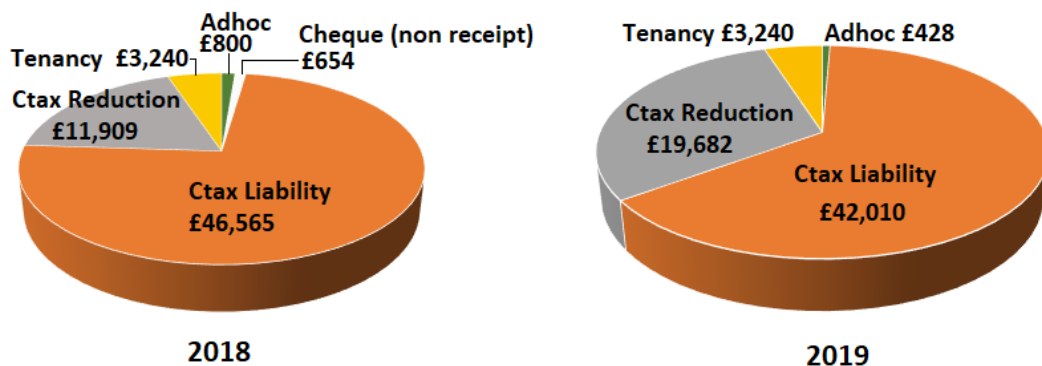
Investigations Concluded

One hundred and nineteen investigations were concluded between April and the end of December 2019, this compares to 103 over the same period in 2018.



Financial Value

In respect of the investigations concluded, £65,359 has been attributed to these cases in 2019, compared to £63,168 for the same period last year:



The tenancy cases related to housing waiting list applicants who were removed from the list following investigation.

The employee investigations led to - 1 corrective action, 1 verbal warning, 2 written warnings, 2 final written warnings, 1 prosecution and 6 dismissals

Training & Awareness

As reported previously, following Audit Committee review and Cabinet approval of the Counter-Fraud and Corruption Strategy, mandatory Fraud Awareness Training has been rolled out to all staff.

- Two thousand, two hundred and fifty nine PC users within the Council have completed the eLearning module
- Thirty-four face-to-face sessions have been delivered to non-PC users with more than six hundred overall attendees
- More than seventy Headteachers have received Fraud Awareness Training during their conferences

Governor Fraud Awareness face-to-face training has been scheduled for February 2020, to provide practical awareness, guidance and support, and feedback from the CRSA counter-fraud schools audits.

Targeted Audit Committee Counter-Fraud Training is being planned for intended delivery prior to the end of the municipal year.

Cardiff Council participated in International Fraud Awareness Week (17-23 November 2019), supported by messages and guidance for all staff from the Head of Finance on Mandate fraud, the Head of Procurement on Procurement Fraud, and the Chief Digital Officer on Cyber Crime.

Mandatory Disciplinary Policy, Investigating Officer training continues to be delivered by the Investigation Team, this year four sessions have been held with a total of forty five attendees.

Fraud Tracker

The Chartered Institute of Public Finance & Accountancy (CIPFA), Counter Fraud Centre leads and co-ordinates the fight against fraud and corruption across local and central government, the health, education and charity sectors. The Centre issues a survey (Fraud and Corruption Tracker) in order to provide a national overview of all fraud, bribery and corruption activity across local authorities.

In order to provide a council-wide view of the volume, value and risk of fraud and corruption across the organisation, a fraud tracker questionnaire, based on the CIPFA survey, has been produced following engagement with each directorate, and discussion at SMT on 14 January 2020.

The Fraud Tracker exercise is designed to complement both the senior management assurance statement (SMAS) and risk register processes for each directorate. It follows the intentions set within the Counter-Fraud and Corruption Strategy to be risk aware, and responsive to the threats faced by the Council.

Key messages from the fraud tracker exercise were:

- Validation that records of the volumes and values of fraud held by corporate Investigation Team are sufficiently complete.
- Particularly good visibility and engagement in allegations of internal fraud through the internal recording and management system, but directorates were reminded of the necessity to report all suspicions of fraud.
- The level of fraud investigations concluded outside of the corporate team for 2019/20 at the mid-year position were confirmed as:
 - Insurance £8.4k (1 case)
 - Blue Badge (56 badges seized, 9 successful prosecutions, 47 pending court).

NB – This year an initiative for tackling blue badge fraud commenced with a third party organisation (BBFI), as reported to Audit Committee on 10 September 2019.

- Each Director has identified their highest fraud risks, and actions have been taken for directorate risk registers to be updated, as appropriate.
- SMT agreement that there is effective fraud engagement internally and externally, with new policies and initiatives sufficiently developed with regards to fraud prevention controls.

Annual Action Plan

At this stage in the year, an opportunity has been taken to consider the level of delivery of the Action Plan as set in the Investigation Team Annual Report, as reported to Audit Committee on 25 June 2019.

The Action Plan is included in Appendix B, and shows that the team is on target to achieve the objectives set for this year. The position will be reconsidered, with new actions set as appropriate in reflection on the full year performance of the team, to be reported to the Audit Committee within the next annual report, scheduled for 23 June 2020.

Fraud Arrangements Review

Further to the Wales Audit Office report issued to the Public Accounts Committee in respect of Counter-Fraud Arrangements in the Welsh Public Sector, WAO are following this up with a study of arrangements in place at Local Authorities.

Interviews have been conducted a number of Council, and information and data has been provided as part of the audit. The findings are to form part of a national study report, but arrangements are being made for the Wales Audit Office to provide Audit Committee with an overview of the findings in respect of Cardiff at a future Committee meeting.

Policy Review

A review has been undertaken of the current Money Laundering Policy and Procedure, a draft revised document has been produced and is being considered by Legal Services.

Once internal reviews are complete, the Audit Committee will receive an opportunity to consider the revised policy in a future meeting, in advance of consideration by Cabinet.