



Resources Directorate Internal Audit Section



Investigation Team Progress Report

(As at 30 September 2021)

2021/22

Planning & Resources



For the year as a whole there are four hundred and forty-two chargeable days available based on current resources (2.5 fte), indicatively split between strategic (80 days) and operational activities (362 days). During the quarter an Investigator's request to temporarily reduce their working time by 3 hours per week, has been agreed for an initial period of 12 weeks, in accordance with the Council's Flexible Working Policy.

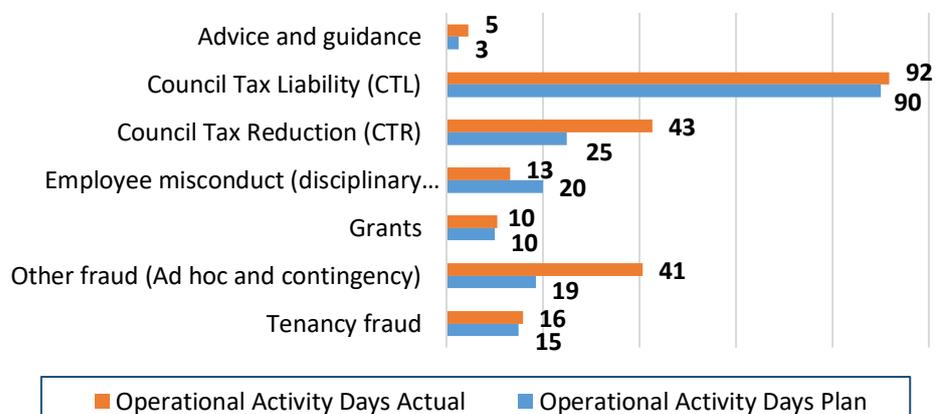
Activities

In the financial year to 30 September 2021, the team have applied 251 days as follows:

Strategic Activity Days



Operational Activity Days



*Additional time applied against 'other fraud (ad hoc and contingency)', related primarily to proactive data matching exercises targeting Payroll, Creditors and VAT.

Training & Awareness

The Investigation Team has worked with colleagues across the Council to prepare a series of articles to be communicated, as part of the internal campaign publicising International Fraud Awareness Week (commencing 15 November 2021). Particular areas of focus are: Corporate Criminal Offence, Insurance fraud, Payment Cards - Payment Card Industry Data Security Standard (PCI DSS).

Mandatory Fraud Awareness training continues to be delivered, and as at the 30 September, more than five thousand seven hundred employees had completed the eLearning or attended a face-to-face session.

As referred to in the quarter one update, the Audit and Investigation Teams, as directed by the Audit Manager, continue to provide counter-fraud advice, guidance and checks to support the control environment and the prevention and detection of fraud and error in the administration of grants on behalf of the Welsh Government.

COVID Grants and Schemes

Business Grants

Audit and Investigation Team staff supported a multi-disciplinary team of Council officers to administer business grants on behalf of Welsh Government, linked to non-domestic properties.

Post payment verification and assurance processes for Business Grants has included four exercises:

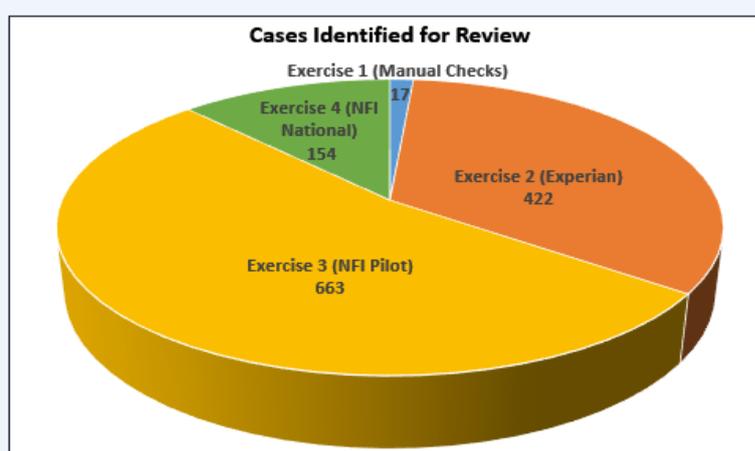
Exercise 1 - Manual checks utilising open-source information to confirm businesses were trading.

Exercise 2 - Digital comparison of grant applicant information to Experian's commercial database.

Exercise 3 - Participation in a pilot NFI data matching exercise, working with Audit Wales and the Cabinet Office.

Exercise 4 – Participation in the national NFI data matching exercise.

One thousand two hundred and fifty-six priority matches were identified for review through the above activities. Investigation Team staff have worked with the Business Rates Team, to review the matches generated.



All matches have been reviewed:

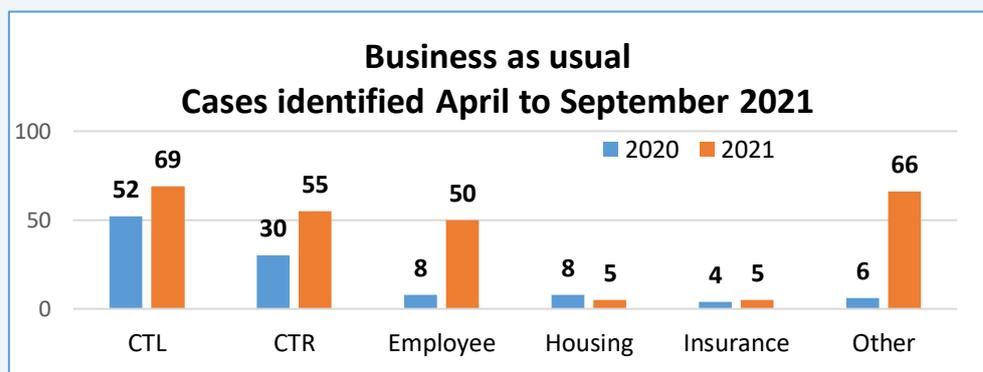
- thirty-nine cases are subject to ongoing enquiry
- nineteen payments have been identified as paid in error

Current Outcomes

As a result of Audit, Investigation and Business Rate colleagues interrogating systems, records, and data matching output, eighty-seven grants have been identified as paid in error with a total value of £875,000. Of this, £509,000 has been recovered and work continues to recover the remainder.

'General' Cases Identified for Investigation

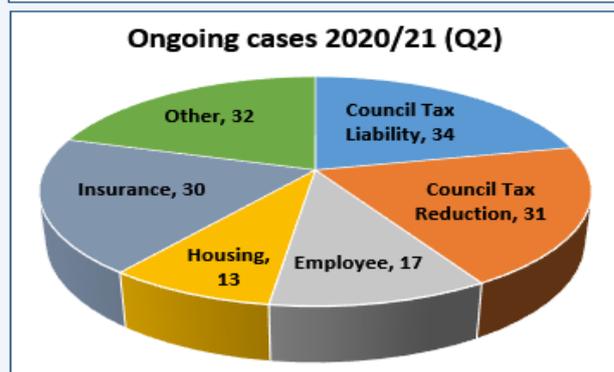
Excluding the stand-alone Business Grants work, as detailed above, two hundred and fifty cases have been identified for investigation so far this year, compared to one hundred and eight for the same period last year:



The cases designated as Other in 2021 related to two grants, NFI creditor / payroll and VAT overpaid.

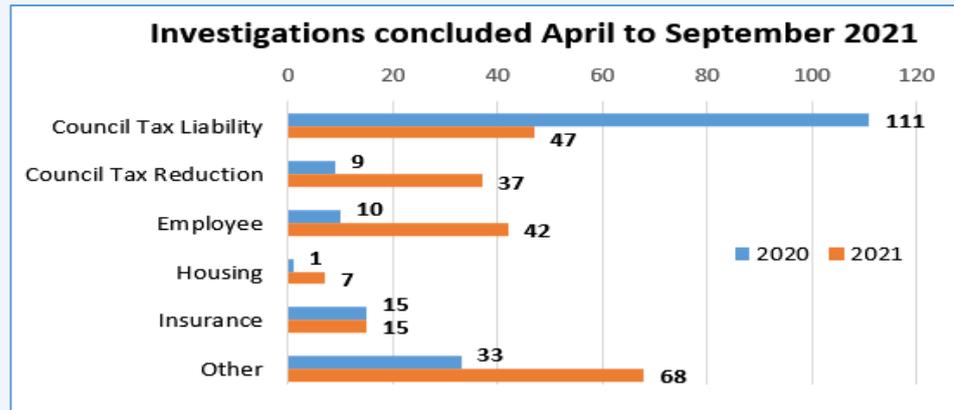
'General' Ongoing Cases

Excluding the stand-alone Business Grants work, there are currently one hundred and thirty-one investigations ongoing, compared to one hundred and fifty-seven, for the same period last year:



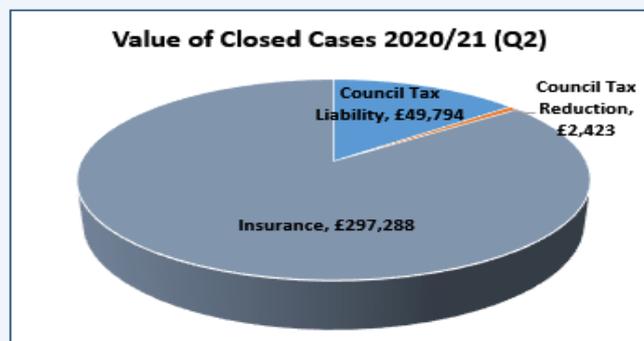
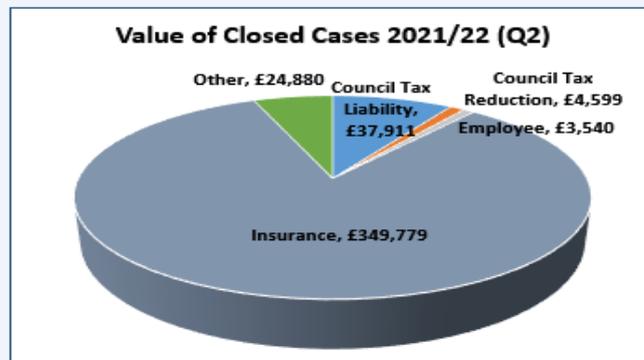
**'General'
Concluded
Cases**

Excluding the stand-alone Business Grants work, as detailed separately, two hundred and sixteen investigations have concluded so far this year, compared to one hundred and seventy nine over the same period last year:



**Financial
Value**

Excluding the stand-alone Business Grants work, £420,709 has been attributed to concluded cases in the 2021/22 year to date, compared to £349,505 for the same period last year:



- Insurance cases relate to contrived, exaggerated, fictitious misrepresented, and staged claims.
- Council Tax Liability investigations typically relate to cases of false information provided to receive a discount, or a failure to declare the occupation of a second adult, when in receipt of a single person discount.
- Council Tax Reduction investigations typically relate to those on low income, in receipt of a discount, failing to declare their income properly.



On-street enforcement activity continues, this year forty-five badges were seized, there are fifty-five cases ongoing which are at various stages of investigation, including being prepared for / due to go to Court. Between April and the 30 September 2021 seventeen sanctions were administered (one caution and sixteen prosecutions).