



Resources Directorate Internal Audit Section



Investigation Team Progress Report

(As at 31 December 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). Since quarter two an Investigator's request to temporarily reduce their working time by 3 hours per week, has continued, in accordance with the Council's Flexible Working Policy.

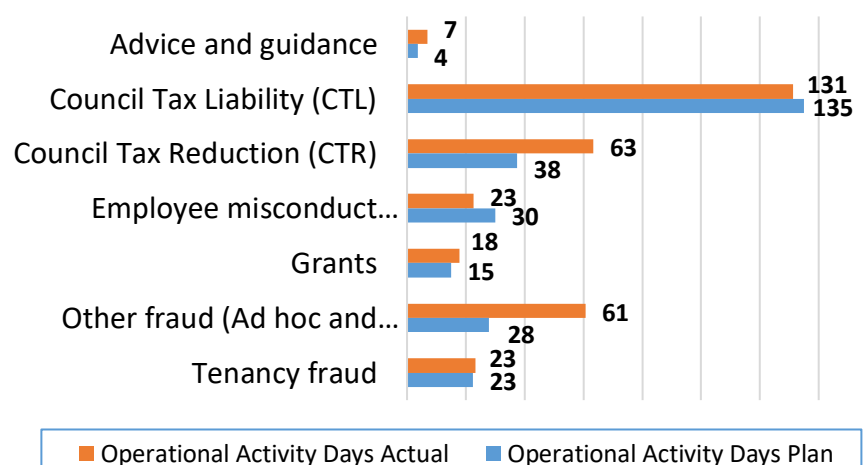
Activities

In the financial year to 31 December 2021, the team have applied 370 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

Mandatory Fraud Awareness training continues to be delivered to all staff within the Council, the following table identifies compliance across Directorates for active PC (DigiGov) users:

Directorate	% Compliance
Resources	83%
Governance & Legal	73%
Economic Development*	66%
People & Communities	63%
Planning Transport and Environment	60%
Adults Housing & Communities	48%
Education and Lifelong Learning**	32%
Childrens Services	23%

*within Economic Development - Street Scene attained 85% compliance

**school posts have been excluded for the purposes of this report

Compliance with mandatory training forms part of each employee's Personal Review through the Council's performance management framework. Schools complete Fraud Awareness training online individually or via group sessions on school inset days, for which full data is not held centrally, but the position is reviewed during school audits.

COVID Grants and Schemes

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.

Business Grants

As reported previously, members of Internal Audit supported colleagues across the organisation to administer business grants on behalf of Welsh Government, linked to non-domestic properties.

Post payment verification and assurance processes for Business Grants consisted of four exercises:

- Manual system checks (open-source information)
- Electronic system checks (utilising Experian's commercial database)
- Participant in Pilot NFI data matching exercise, working with Audit Wales and the Cabinet Office
- Participant 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.

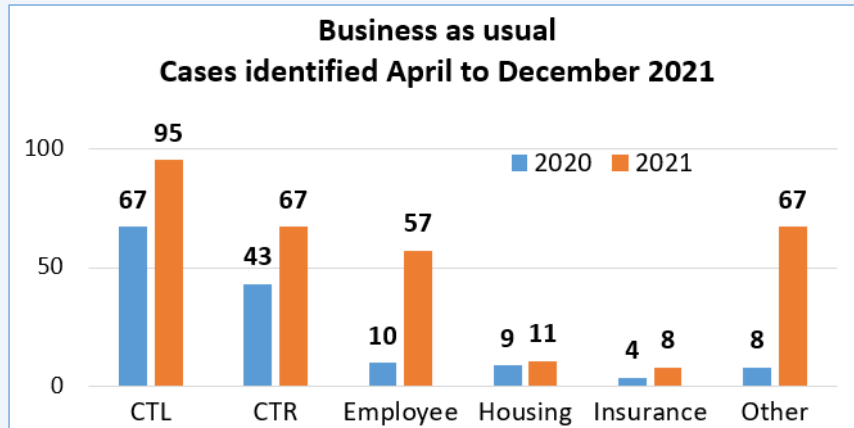
Fifteen grant recipients are subject to ongoing review, the Investigation Team is also progressing one criminal investigation at the present time. A further update will be produced as the matter progresses.

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

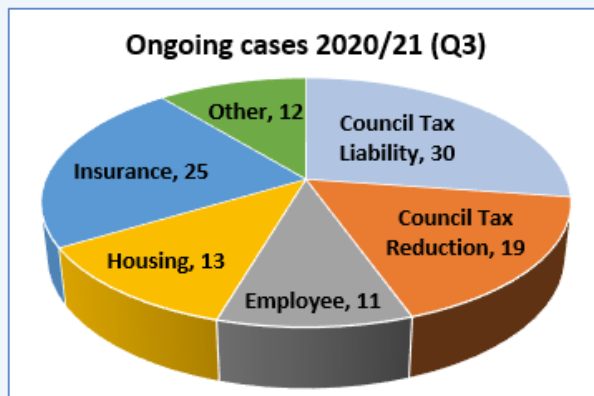
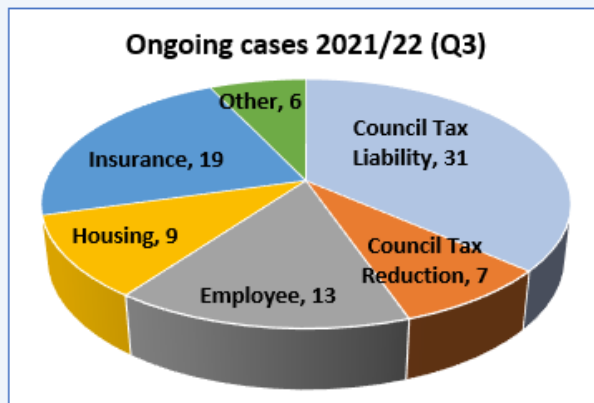
Excluding the stand-alone Business Grants work, as detailed above, three hundred and five cases have been identified for investigation so far this year, compared to one hundred and forty-one for the same period last year:



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

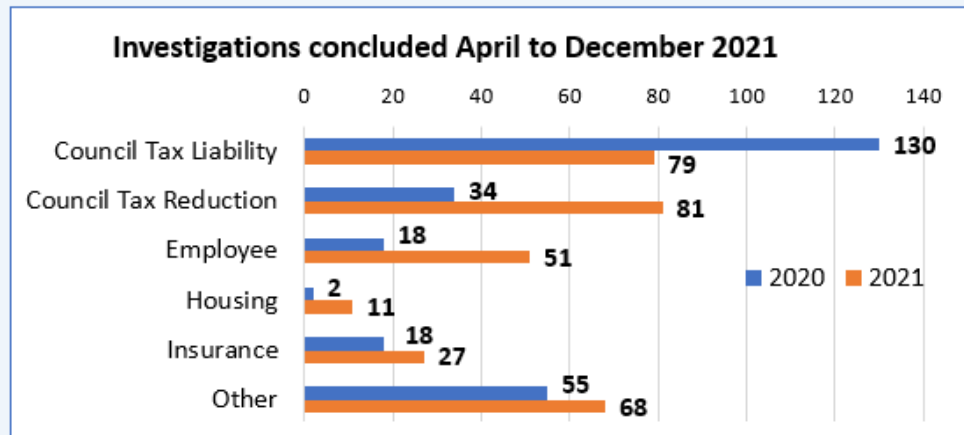
'General' Ongoing Cases

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



**'General'
Concluded
Cases**

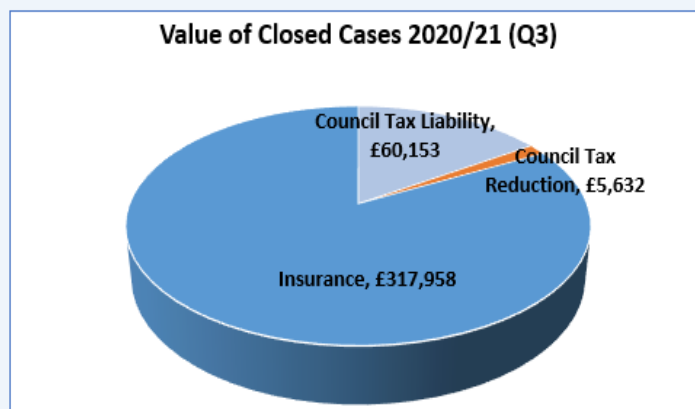
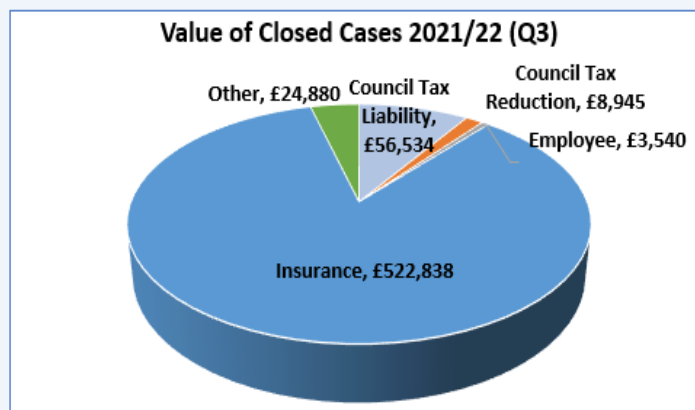
Excluding the stand-alone Business Grants work, as detailed separately, three hundred and seventeen investigations have concluded so far this year, compared to two hundred and fifty-seven over the same period last year:



**64 of the concluded 'other' cases related to NFI creditor / payroll and VAT overpaid matches.*

**Financial
Value**

Excluding the stand-alone Business Grants work, £616,738 has been attributed to concluded cases in the 2021/22 year to date, compared to £383,743 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.

**Blue Badge
Update**



Further to the above activities, on-street enforcement activity continues, this year fifty badges were seized, there are thirty-eight cases ongoing which are at various stages of investigation, including being prepared for / due to go to Court. Between April and the 31 December 2021 twenty-four sanctions were administered (two cautions and twenty-two prosecutions).