



Resources Directorate Internal Audit Section

Investigation Team Progress Report

(as at 31 December 2022)

2022/23

Planning & Resources

Further to the high-level allocation of days reported to Committee on 25 January 2022, four hundred and forty-three chargeable days are available based on current resources, indicatively split between strategic (80 days) and operational activities (363 days), as summarised below, for awareness and comment:

Strategic	Fraud awareness / reporting	25	Days
	Policy and procedure review / planning	25	
	Intelligence sharing / working groups / police liaison	10	
	National Fraud Initiative	10	
	Training development / delivery	10	
Operational	Council Tax Liability (CTL)	180	Days
	Council Tax Reduction (CTR)	50	
	Employee misconduct (disciplinary investigations)	40	
	Other fraud (Ad hoc and contingency)	38	
	Tenancy fraud	30	
	Grants	20	
	Advice and guidance	5	

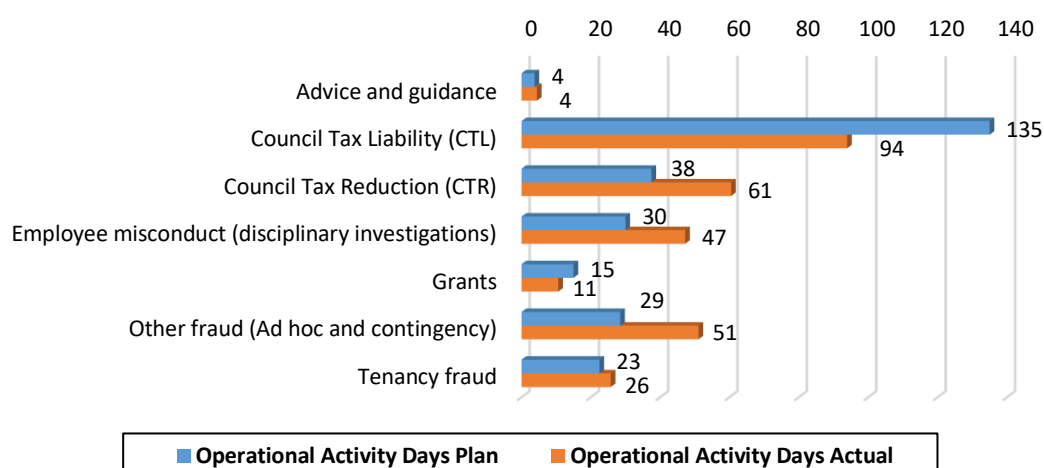
NB – Audit Manager time is not included within the above apportionment.

Activities

In the financial year to 31 December 2022, the team have applied 355 days as follows:



Operational Activity Days



Training and Awareness

Mandatory Fraud Awareness training continues to be delivered. More than 6,500 staff and school governors have completed the eLearning or attended a face-to-face session. The eLearning module that was created by the Corporate Fraud Investigation Team is currently under review in order for a refreshed module to be developed and published during 2023.

An updated counter-fraud and corruption strategy and a suite of updated operational policies and procedures are being developed, these will be shared with the Governance and Audit and Committee as part of consultation and assurance processes in due course.

National Fraud Initiative (NFI)

The National Fraud Initiative (NFI) is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. NFI uses data sharing and matching to help confirm that services are provided to the correct people.

Biennial - National Exercise

Cardiff Council participates in the National data matching exercise every two years, the Corporate Fraud Investigation Team uploaded the data sets during October 2022 and the matches will be published during January / February 2023.

Annual Exercise - Council tax and Electoral Register

Each year the Corporate Fraud Investigation Team submit council tax single person discount and electoral register data to help find where people are receiving the discount, but are not the only countable adult at their residence.

The latest output (December 2022) generated 2,798 matches for Cardiff Council to review, to determine if the council tax bill payer is eligible to the single person discount.

The 2020-21 NFI exercise found that the total council tax discount incorrectly awarded across Welsh local authorities totalled £2.6 million. This is an average outcome of £1,305 for each case (£1,003 per case in the 2018-19 NFI). Review of the NFI matches led to the cancellation of 1,987 SPD claims.

Pilot Exercises

Cardiff Council is often contacted by the Cabinet Office / Audit Wales and invited to participate in pilot data matching exercises. The team is currently participating in a Housing Tenancy data matching exercise, designed to help prevent and detect housing tenancy fraud, and to also prove the concept of a holistic approach to data matching using public and private data.

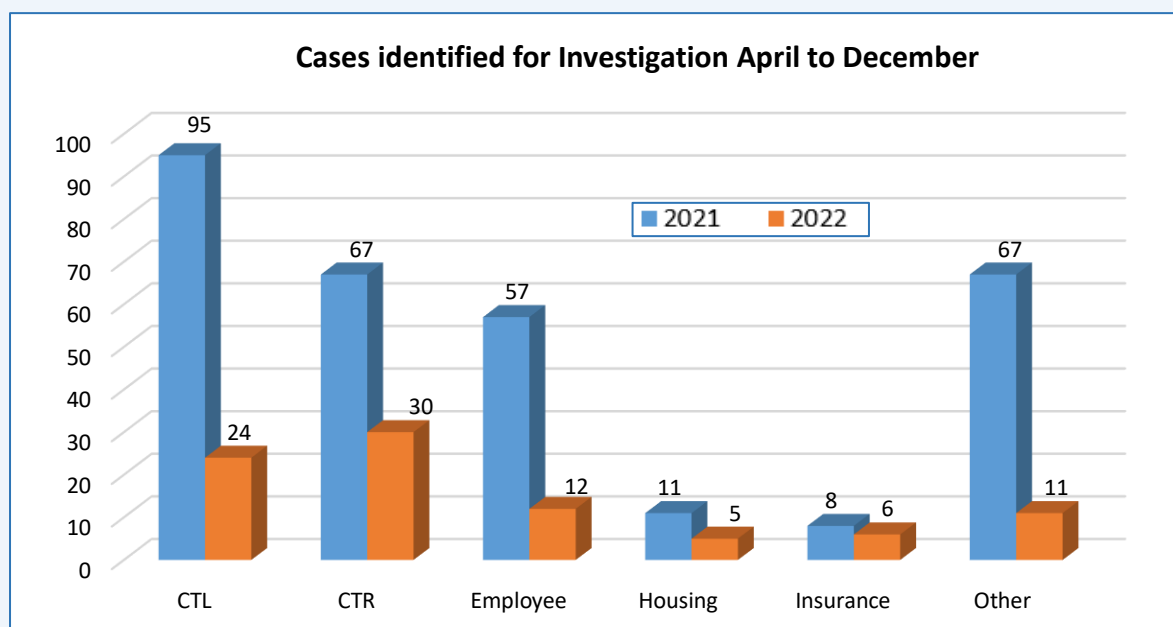
The data has been cross matched against other data sets and risk assessed, prior to the production of 1,462 high risk matches.

Housing have committed to providing a resource to work through the matches, to date, the Corporate Fraud Investigation Team has reviewed the 44 matches and concluded 30, 14 have been passed to Housing for progression, 11 have subsequently been cleared and 3 are subject to ongoing review.

Fraud within housing takes a number of forms, including sub-letting, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principal home, abandonment.

Cases Identified for Investigation

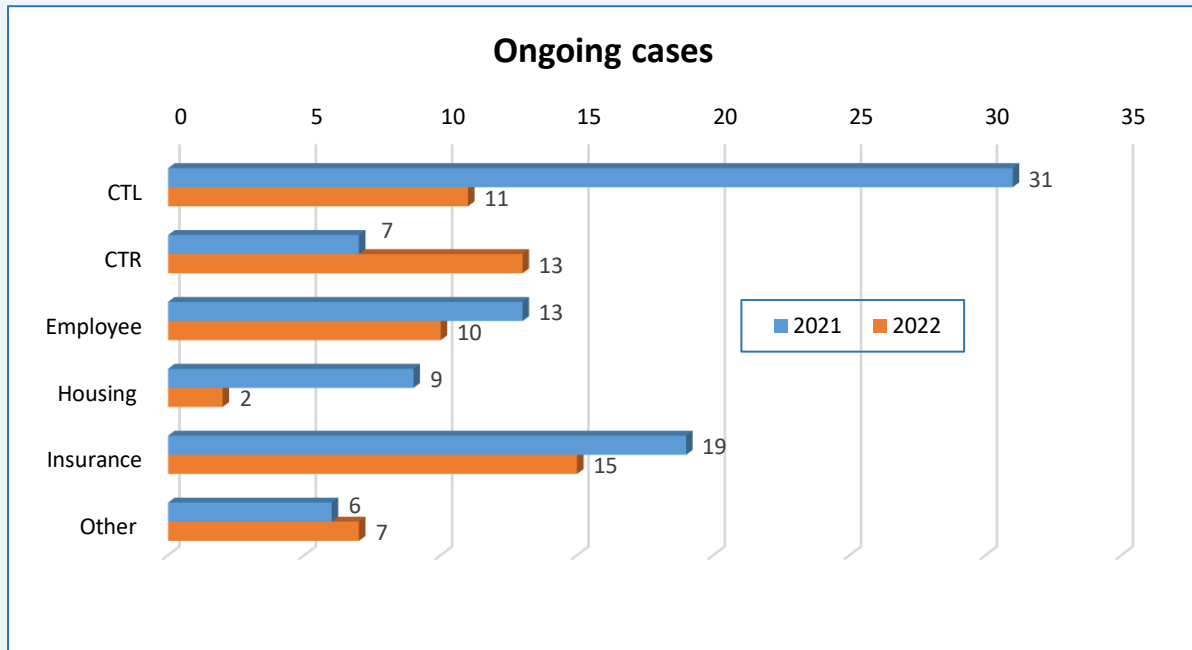
Excluding blue badge pilot work and outcomes as reported separately, 88 cases have been identified for investigation so far this year, compared to 305 for the same period last year:



The cases designated as other this year related to, 4 various Grants, Business Rates, Care Provider, Concessionary Travel, Insurance, Pension fraud, Scam attempt, and a stolen / intercepted cheque.

Ongoing Cases

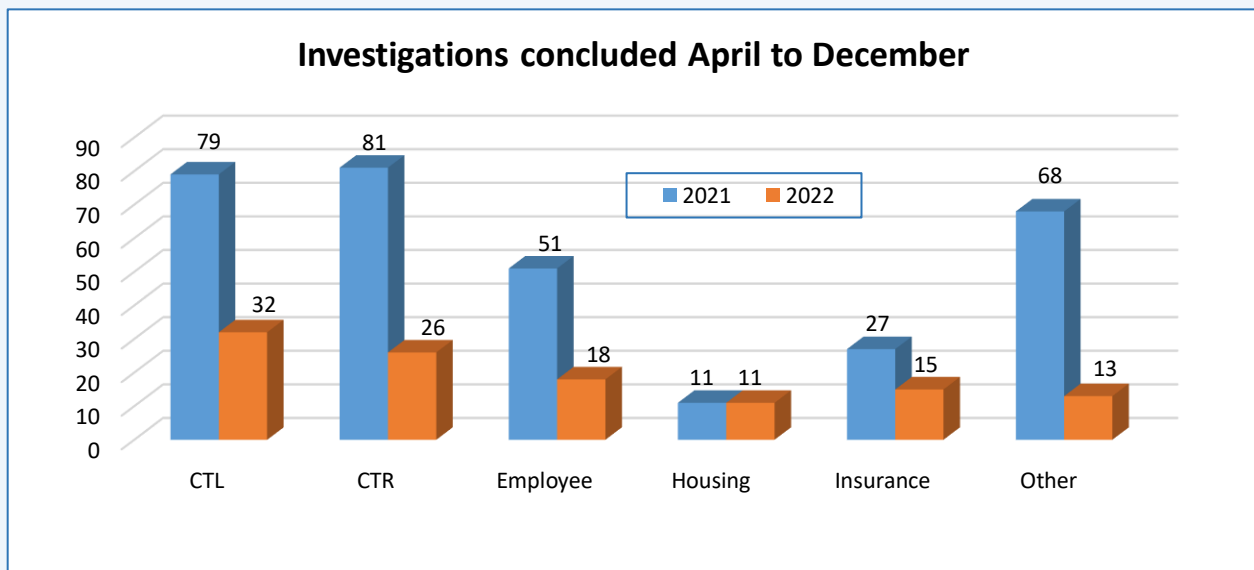
Excluding blue badge pilot work and outcomes as reported separately, there are currently 58 investigations ongoing, compared to 85 for the same period last year:



The cases designated as other this year related to, Business Grant, Concessionary Travel, Corruption, Domiciliary Care, Guardianship Order, Pension fraud, and a Scam attempt.

Concluded Cases

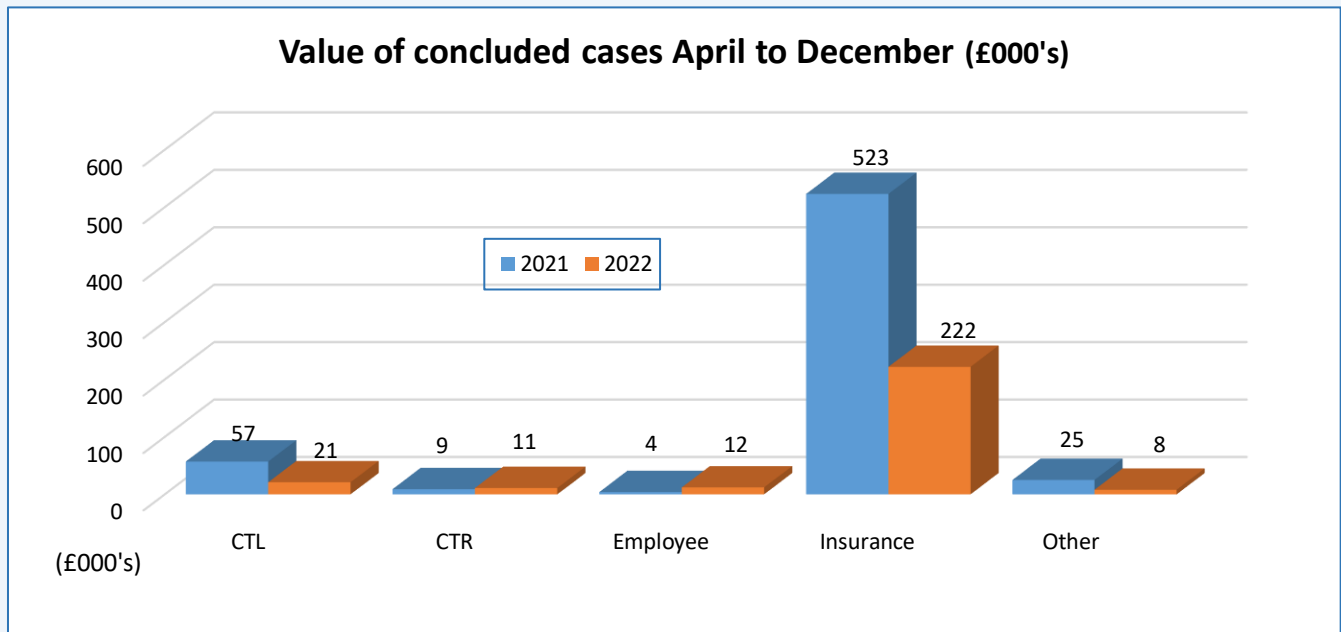
Excluding blue badge pilot work and outcomes as reported separately, 115 investigations have concluded so far this year, compared to 317 over the same period last year:



The cases designated as other this year related to, 7 various grants, Business Rates, Care Provider, Conflict of interest, Corruption, Insurance, and a stolen / intercepted cheque.

Financial Value

Excluding blue badge pilot work and outcomes as reported separately, £274,165 has been attributed to concluded cases in the 2022/23 year to date, compared to £616,737 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.
- The cases designated as other related to 1 Covid Grant, 1 Insurance claim, 1 stolen / intercepted cheque.

Blue Badge Update

Further to the above activities, on-street enforcement activity continues, this year 55 badges were seized, there are 21 cases ongoing which are at various stages of investigation, including being prepared for / due to go to Court.