



# Resources Directorate Internal Audit Section

## Investigation Team Progress Report

2023/24

### Planning & Resources

There are four hundred and fifty-two planned chargeable days available for the year based on current resources, indicatively split between strategic (72 days) and operational activities (380 days), as summarised below:

Strategic	Policy and procedure review / planning	25	Days
	Fraud awareness / reporting	23	
	Training development / delivery	10	
	Intelligence sharing / working groups / police liaison	8	
	National Fraud Initiative	6	
Operational	Council Tax Liability (CTL)	130	Days
	Council Tax Reduction (CTR)	80	
	Other fraud (Ad hoc and contingency)	60	
	Employee misconduct (disciplinary investigations)	55	
	Tenancy fraud	45	
	Grants	5	
	Advice and guidance	5	

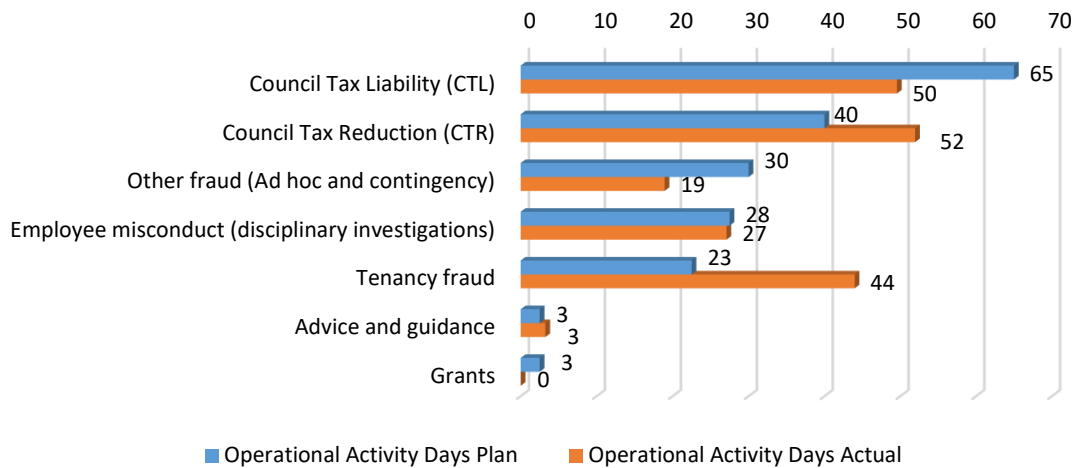
*NB – Audit Manager time is not included within the above apportionment.*

### Activities

In the financial year to 30 September 2023, the team have applied 239 days as follows:



### Operational Activity Days



### Training and Awareness

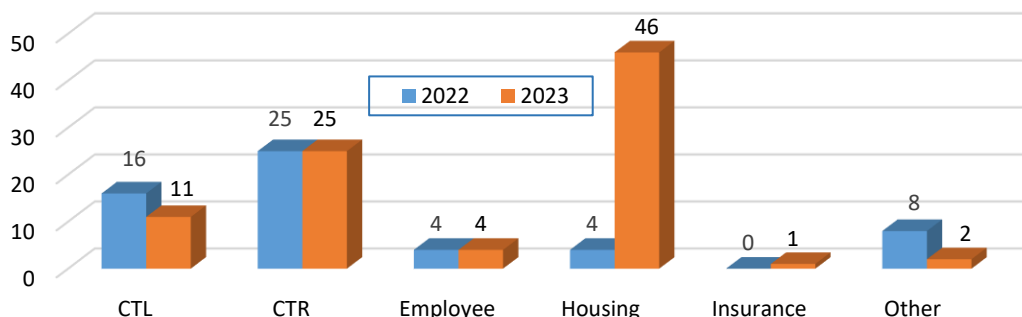
**Mandatory Fraud Awareness training** continues to be delivered. More than six thousand staff and school governors have completed the eLearning or attended a face-to-face session. Face-to-Face workshops have been arranged for the management of staff who do not use PCs for their work so that they can disseminate the Training. A new eLearning module has been developed and is planned to be rolled out in early 2024.

**Anti-Money Laundering eLearning** is in place to reinforce the requirements of the Council’s Anti-Money Laundering Policy. The Money Laundering Reporting Officer (MLRO) is a senior officer in the Internal Audit Section, for reporting, advice and guidance needs.

### Cases Identified for Investigation

Eighty-nine cases have been identified for investigation so far this year, compared to fifty-seven for the same period last year:

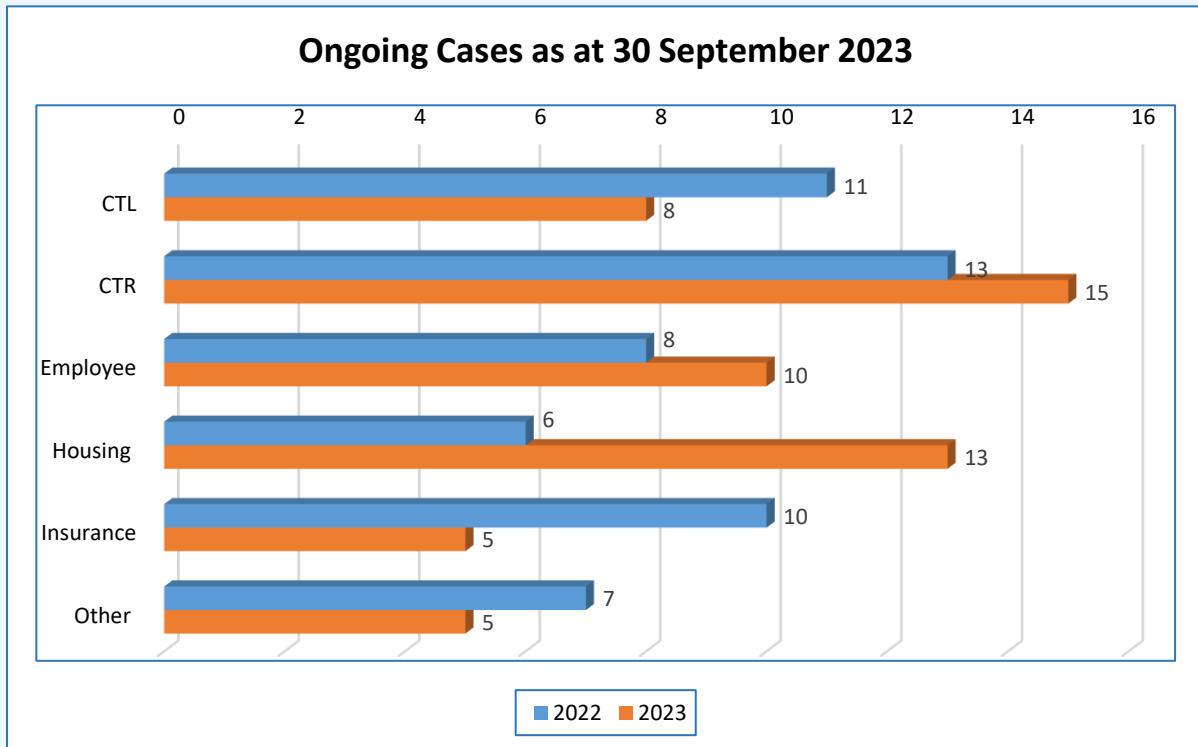
#### Cases identified for Investigation April to September 2023



The cases designated as other this year relate to inappropriate subletting of a Council facility and counterfeit pay and display tickets.

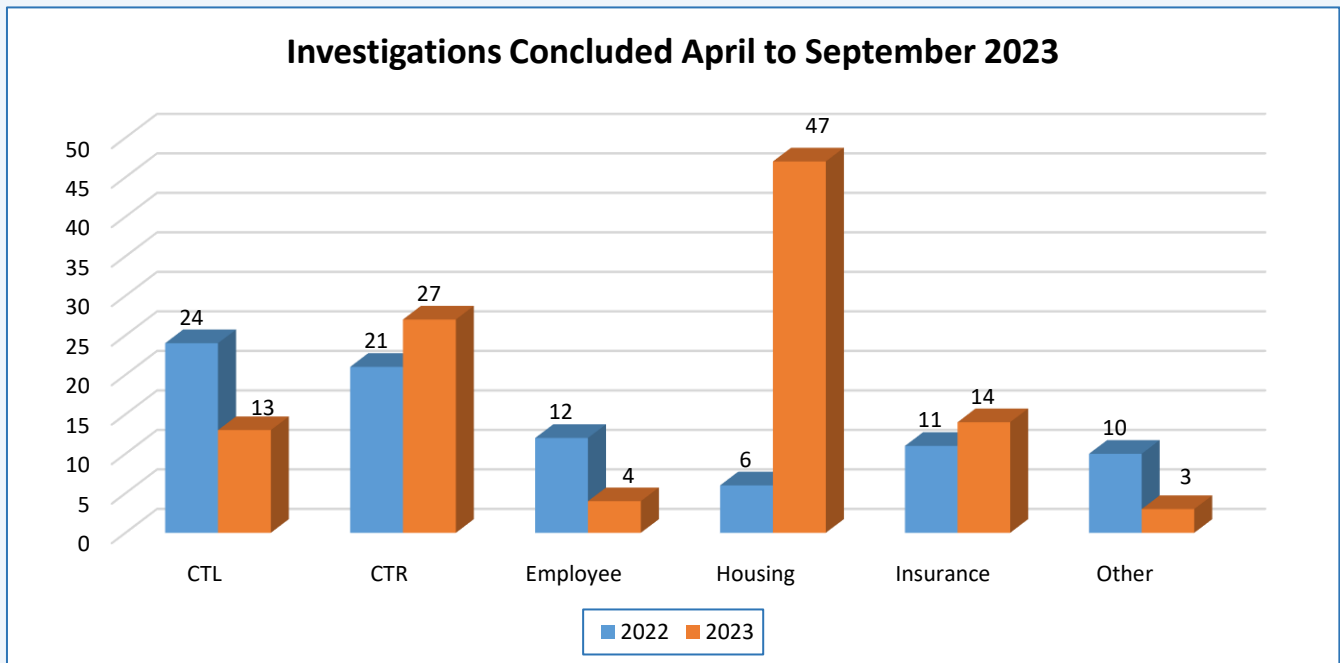
## Ongoing Cases

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



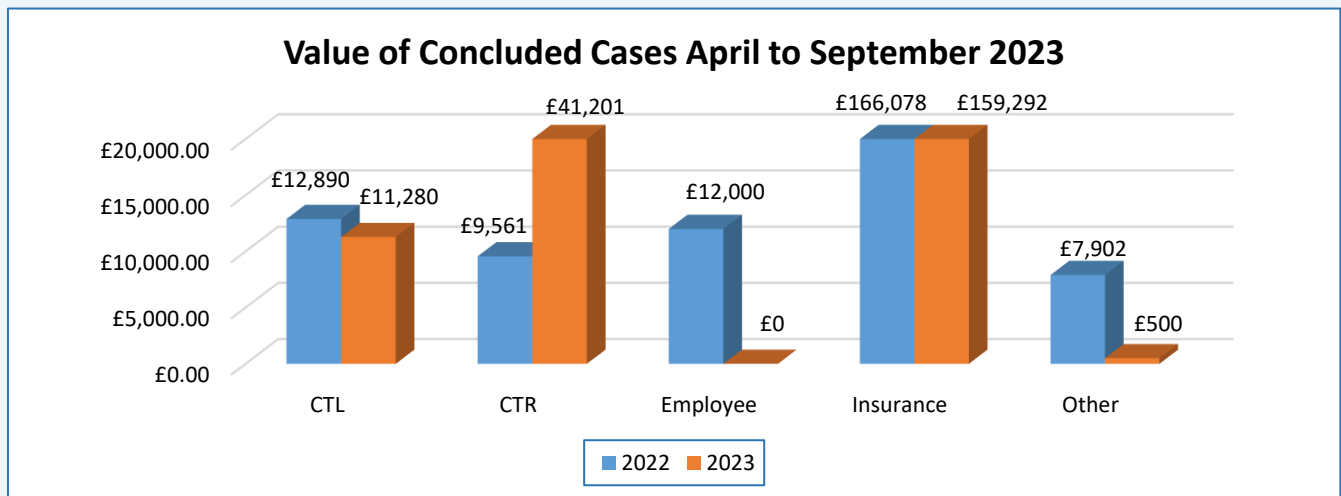
## Concluded Cases

One hundred and eight investigations have concluded so far this year, compared to eighty-four over the same period last year:



## Financial Value

£212,273 has been attributed to concluded cases in the 2023/24 year to date, compared to £208,431 for the same period last year:



- 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.
- Insurance cases relate to contrived, exaggerated, fictitious misrepresented, and staged claims.

## National Fraud Initiative (NFI) - Overview

In addition to investigating referred cases, the team also undertakes various proactive exercises including participating in data matching exercises run by the Public Sector Fraud Authority and Audit Wales.

The National Fraud Initiative (NFI) matches data for the prevention and detection of fraud, by comparing sets of data electronically, such as the payroll or benefit records to other records held by the same or another body. This data is usually comprised of personal information, and matching identifies inconsistencies that require further investigation and allows potentially fraudulent claims and payments to be identified. These exercises generate a substantial volume of matches, and a risk-based approach is taken to prioritise where resources are targeted. The Investigation Team is currently liaising with Council Tax and Housing to assist with the progression of the matches generated for review.

The Investigation Team is currently completing preparations for the submission of Council Tax data for the latest round of data matching.

## NFI - Consultation

The Public Sector Fraud Authority is exploring policy options for local authorities to match adult social data, to help detect and prevent potential fraud and error within adult social care services.

The NFI previously undertook this form of data matching but had to cease in 2020 when changes to healthcare legislation inadvertently meant that they were unable to continue providing matched data to local government. The primary reason for exploring this option is that, from the NFI's most recent

national survey in 2022, a significant majority (93%) of local authority respondents said there was a strong need for adult social care data matching to resume.

As a local authority that provides adult social care provision, Cardiff Council has been formally invited to provide views as part of the consultation process before deciding on next steps. The responses to the consultation are vital and will form the basis for deciding how the NFI pursues the policy option of resuming adult social care data matching.

The Council's NFI Key Contact has consulted with officers in the Housing and Communities Directorate and a response has been submitted to the Public Sector Fraud Authority, Cabinet Office. The response recognises the importance of data matching as a powerful tool to help combat fraud and error.

- NFI Consultation – [link](#)
- NFI Consultation, Cardiff Council response – [link](#)

### **Waste Management Criminal Case**

During 2017 the Investigation Team acted on a referral which alleged misconduct at a Council Civic Amenity site. Potential criminal activity was identified, and the matter was reported to South Wales Police.

The Group Auditor (Investigations) led the internal disciplinary investigation which ran in parallel to the Police investigation and acted as the Single Point of Contact with the Police.

South Wales Police investigated the criminal activity and the CPS reviewed evidence subsequently gathered and sought the permission of the Director of Public Prosecutions to bring this case to trial.

The CPS reported that Cardiff Council lost around £417,000 in tipping fees and A&T (*Skips Ltd*) benefitted to the tune of £238,000. It is estimated that around £175,000 in bribes were paid to the council staff.

Five individuals were sentenced at Swansea Crown Court Thursday 9 November 2023 and details reported by the CPS are contained in the following [Link](#). The Committee is scheduled to consider a more detailed briefing as part of agenda item 14.