

Resources Directorate Internal Audit Section

Investigation Team Progress Report

(as at 29 February 2024)



2023/24

Planning & Resources

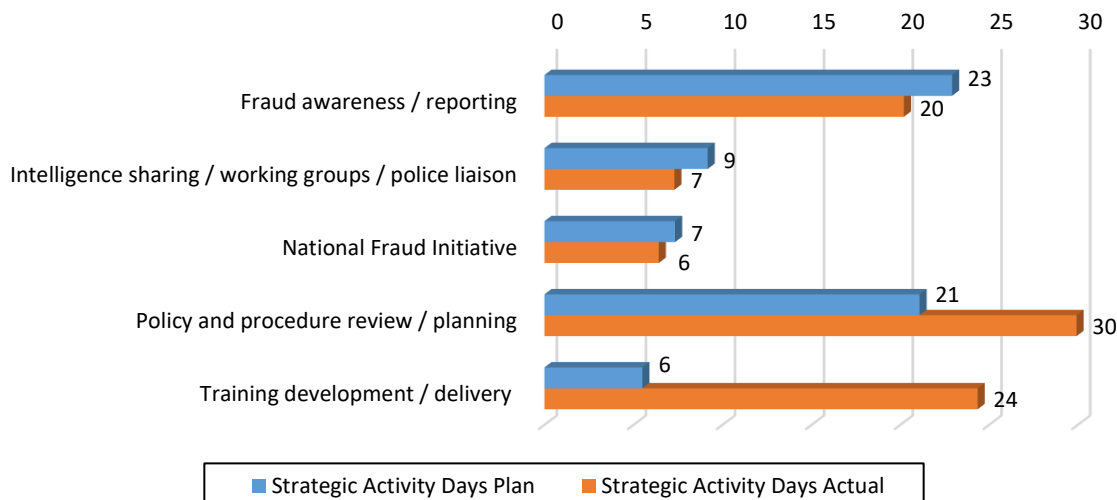
There are four hundred and fifty-two planned chargeable days available for the year based on current resources, indicatively split between strategic (72 days) and operational activities (380 days), as summarised below:

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

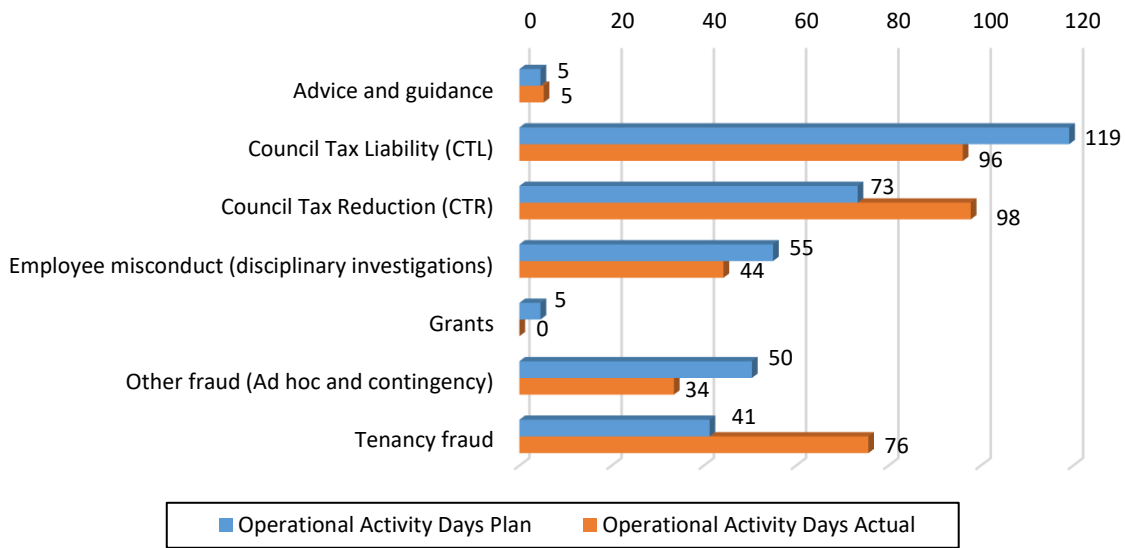
***NB** – Audit Manager time is not included within the above apportionment.*

Activities

Strategic Activity Days



Operational Activity Days



Strategy, Policies, Training and Awareness

Following the approval of the Counter-Fraud, Bribery and Corruption Strategy and counter-fraud operational document updates by Cabinet in [December](#), which followed consideration by the Governance and Audit Committee in November, all school Headteachers and their Chairs of Governors have been contacted with it commended that they adopt a school version of the Strategy that has been prepared.

In accordance with the new Strategy a Counter-Fraud Oversight Group of Senior Management Team members has been established, a terms of reference has been agreed and a first meeting will take place during quarter one, with meetings thereafter to be held at least twice a year. The purpose of the group is to provide strategic management direction, oversight and review of the Council's counter-fraud arrangements, approach, and governance. Relevant updates will be provided to the Governance and Audit Committee via the Corporate Director Resources (Section 151 Officer) / Audit Manager as part of corporate assurance updates.

Senior Management Team has previously participated in an annual CIPFA Counter-Fraud and Corruption Tracker exercise, with the involvement of each Directorate. CIPFA have not run this exercise in recent years, and with no commitment to it recommencing, an annual in-house corporate counter-fraud risk assessment exercise is being introduced. The exercise, based on the CIPFA template previously completed, will consider the value and volumes of fraud investigations in different areas of the Council, risks, areas for further attention and resilience, following the financial year end:

- The Corporate Investigation Team will collate and provide fraud volumes and values for 2023/24 to Directorates.
- A template will be provided to each directorate with counter-fraud questions for Directorates to consider and complete.

- Responses will be collated and presented to SMT for collective consideration, at which time risk registers and actions should be reviewed and updated.

Further to the existing mandatory Fraud Awareness training, that more than 6,700 staff and school governors have completed (via eLearning or a face-to-face session), a refreshed mandatory fraud awareness training module has been produced.

The eLearning module will be released in two parts:

Part 1 – developed for release in April 2024

Principles and Values

Fraud (definitions and red flags)

Bribery and Corruption

Traditional and Modern Fraud

Summary

Part 2 – in development, for release during Q3 2024/25

Fraud Prevention

Responsibilities

Summary

For non-PC Users: A training pack and support will be provided to Directorate nominated officers to cascade Fraud Awareness training within their Directorate. Sessions will be made available for training nominated officers within Directorates from April 2024 onwards.

Schools are being engaged with separately. They are being encouraged to adopt a Counter-Fraud, Bribery and Corruption Template Strategy, and they will be encouraged to undertake the eLearning. Further training will be available where required.

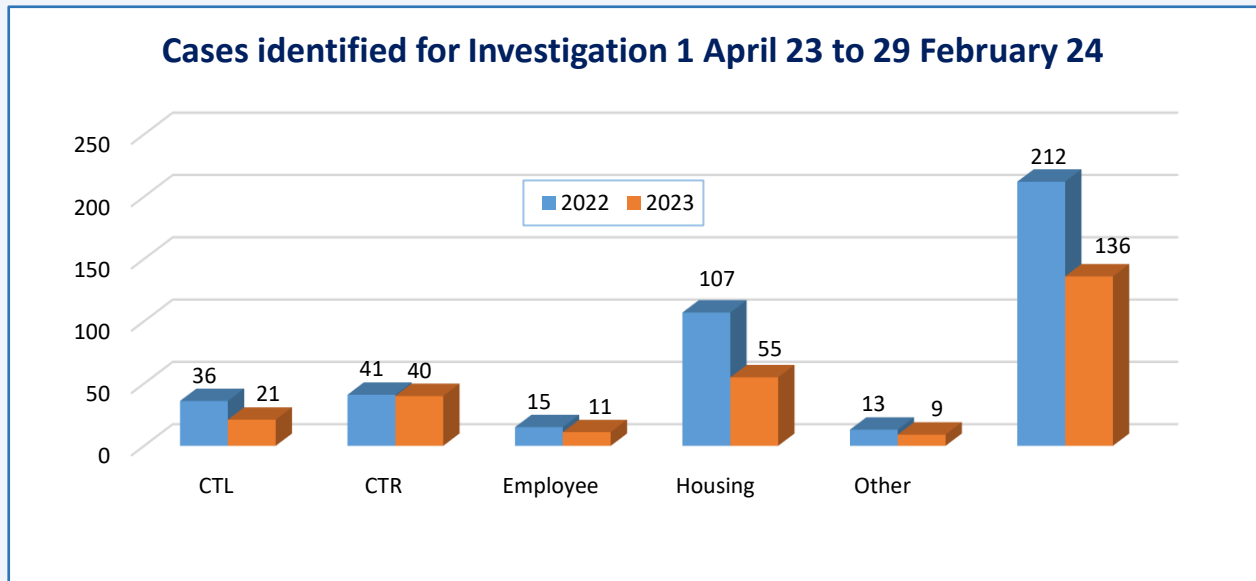
In February, Audit Wales published a report '[From Firefighting to Future-proofing - The Challenge of Welsh Public Services](#)' which expressed some important views on tackling fraud and error. Reference is made to the importance of investing in counter-fraud work and participating in data-matching exercises. The recently updated Counter-Fraud, Bribery and Corruption Strategy represents the Council's commitment to counter-fraud and attention is given to both strategic activities, such as the risk assessments and training referred to above, and proactive reviews, such as progressing National Fraud Initiative (NFI) data matches.

Casework

At the time of reporting, insurance data for the reporting period is not available from the Council's claims handler and is not included in the following analysis. The position against the Council's blue badge scheme is reported periodically but is also not included within this report. The position in respect of all investigation activities will be presented in the year-end position to be reported to Committee in July.

Cases Identified for Investigation

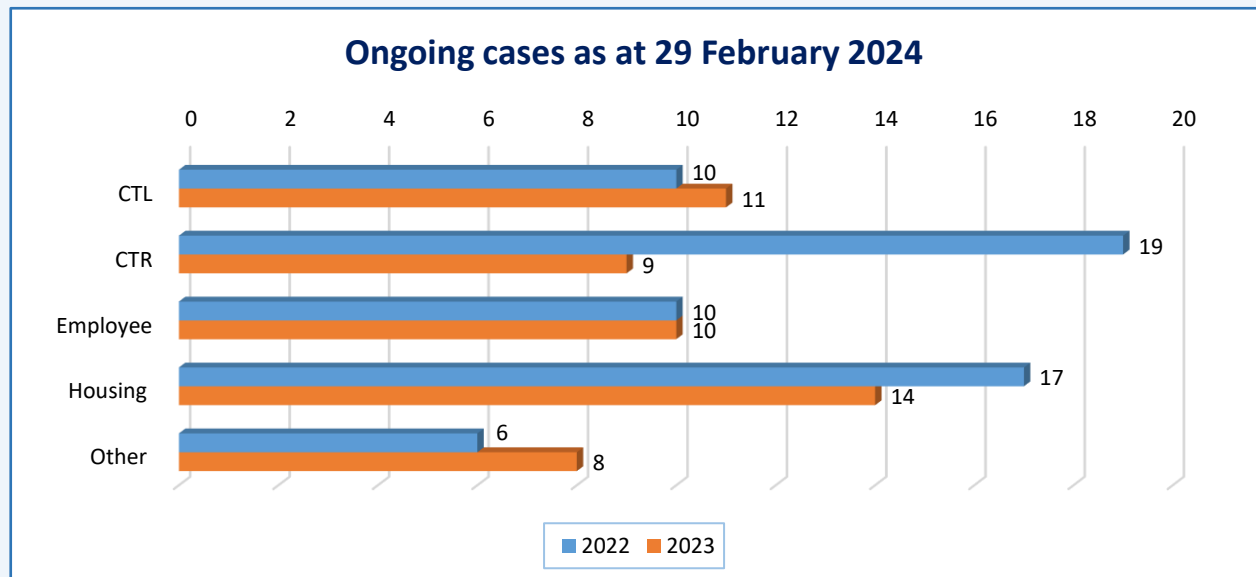
Excluding blue badge pilot work and insurance outcomes, 136 cases have been identified for investigation so far this year, compared to 212 for the same period last year:



The 9 cases designated as other this year relate to subletting, counterfeit pay and display tickets, false representation, falsification of records, Business Grants and Planning, Cheque fraud, Mandate fraud, Procurement card fraud and money laundering.

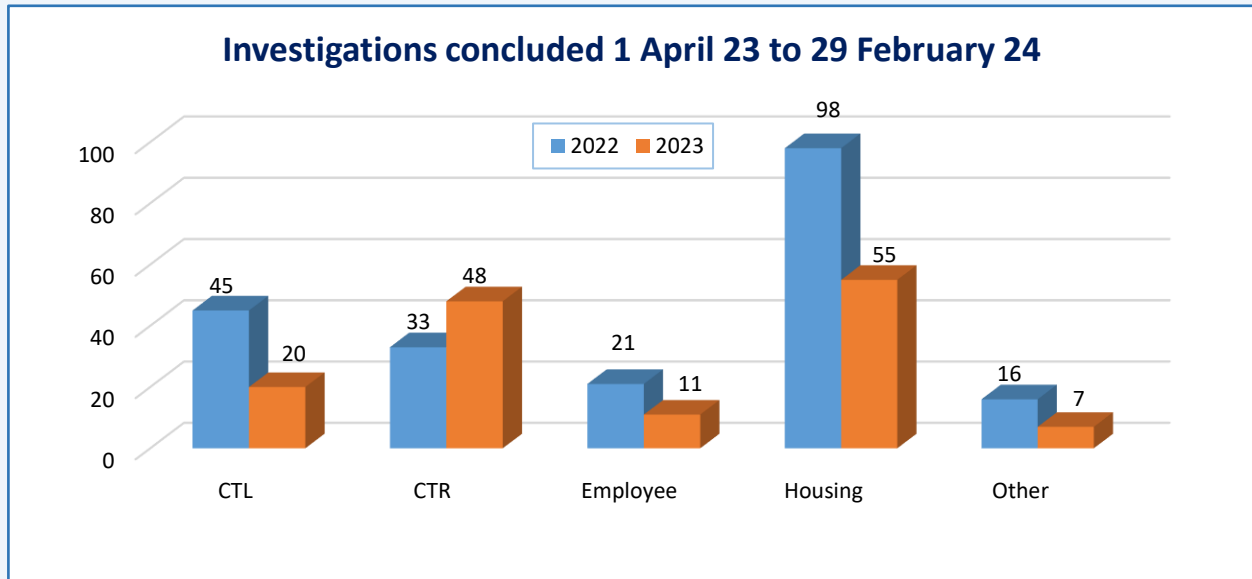
Ongoing Cases

Excluding blue badge pilot work and insurance outcomes, there are 52 investigations ongoing, compared to 62 for the same period last year:



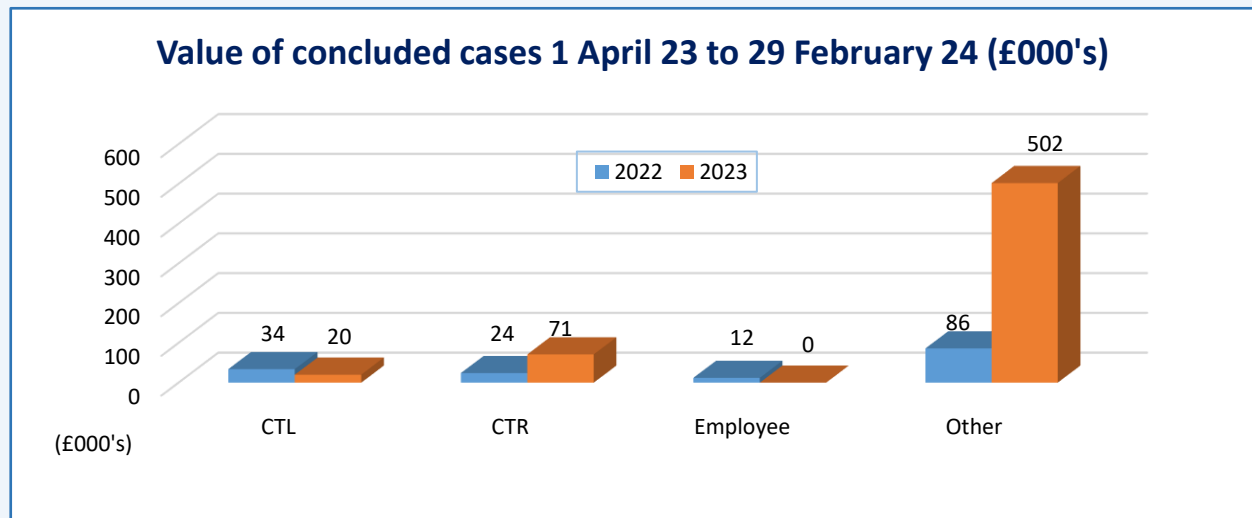
Concluded Cases

Excluding blue badge pilot work and insurance outcomes, 141 investigations have concluded so far this year, compared to 213 over the same period last year:



Financial Value

Excluding blue badge pilot work and insurance outcomes, £593,364 has been attributed to concluded cases in the 2023/24 year to date, compared to £156,758 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.
- The cases designated as 'other' relate to Bribery, Care Costs and Cheque fraud. The primary case designated as 'other' relates to the waste criminal case concluded at Swansea Crown Court in November 2023, with fraud of £417,000 attributed. Details reported by the CPS are contained [here](#).

National Fraud Initiative (NFI) – Overview

The **National Fraud Initiative** is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Auditor General for Wales requires Council Tax and Electoral Register data annually for single person Council Tax discount matching.

The latest output was published 23 January 2024 generating 4,658 matches, the matches are grouped and identify 2,552 cases suitable for review.

The Audit Manager and Operational Manager Revenue Services meet regularly to review the initiative and the Operational Manager Revenue Services allocates resources accordingly to prioritise and review matches considered to be high risk. Arrangements are being developed for a targeted review of Housing matches.

As part of the Public Sector Fraud Authority, the NFI team has received additional funding enabling them to create a specific team to deliver projects outside of the NFI mandated exercise, with a focus on innovation. During 2022/23 and 2023/24 Cardiff Council agreed to participate in two pilot exercises:

Dataset	Description	Matches
Housing	To identify possible cases of tenancy fraud, including abandonment	1,462
Council Tax	To assist in the identification of council tax payers that can be removed as a bill payer as they are deceased and the council has not been notified by the relatives/next of kin/executors	1,245