



Resources Directorate Internal Audit Section



Investigation Team Progress Report

(as at 31 December 2020)

Resources & Activities



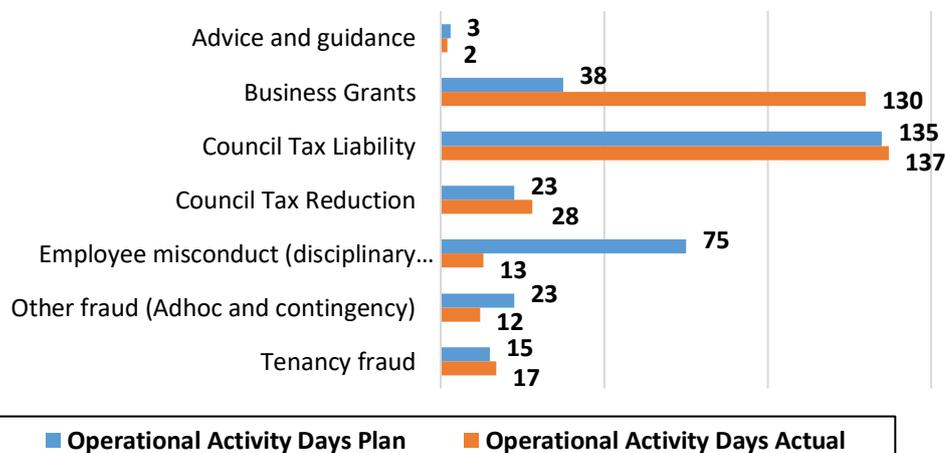
For the year as a whole there are four hundred and ninety four chargeable days available based on current resources (2.5 fte), indicatively split between strategic (80 days) and operational activities (414 days). Following a temporary increase in the hours of the Investigation Assistant of 6 hours per week, to further progress National Fraud Initiative work, their hours reverted back to normal (0.5 FTE) at the end of quarter three.

In the financial year to 30 December 2020, the team have applied 392 days as follows:

Strategic Activity Days



Operational Activity Days



Fraud Awareness

This year's International Fraud Awareness Week ran from the 15th to 21st November 2020. Once again, a successful week long campaign was launched with key messages to staff, that included:

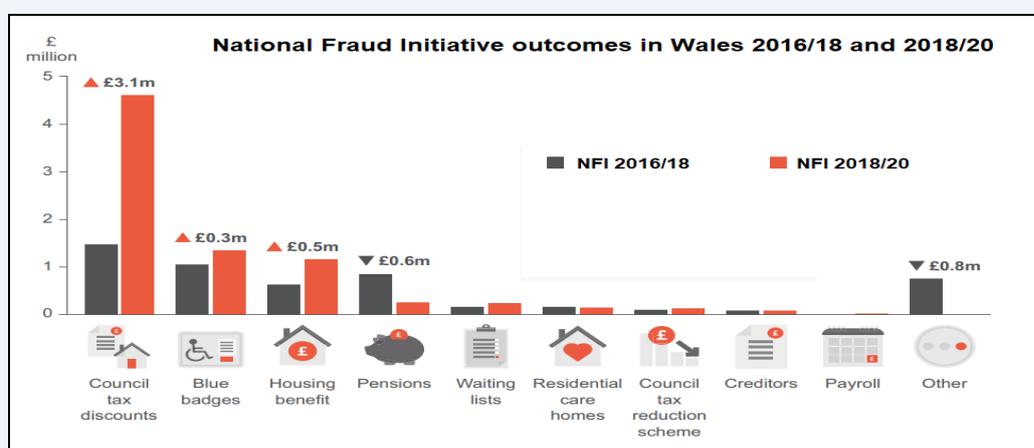
- The Council's mandatory 'Fraud Awareness' eLearning module
- Money Laundering
- Impersonation Fraud
- Fraud Risks
- How to seek help / advice

Mandatory Fraud Awareness training continues to be delivered, and as at the 31 December, in the region of four and a half thousand staff and school governors had completed the eLearning or attended a face-to-face session.

Biennial NFI Exercise

The National Fraud Initiative (NFI) is a UK-wide counter-fraud exercise. In Wales, the exercise is undertaken by the Auditor General for Wales under his statutory data-matching powers in Part 3A of the Public Audit (Wales) Act 2004. The NFI exercise is carried out every two years and matches data across organisations and systems to help public bodies identify fraud and overpayments.

Audit Wales have reported that since its commencement in 1996, NFI exercises have resulted in the detection and prevention of £42.9 million of fraud and overpayments in Wales. Across the UK, the cumulative total of NFI outcomes are now £1.93 billion. The report states that there are seven main areas which generated almost 98% of the fraud and overpayments identified these include; council tax discount, blue badges, housing benefit, pensions, waiting lists, residential care homes and council tax reduction schemes:



The Investigation Team manages the Council's participation in the NFI exercise, preparations for NFI 2020/22 have been completed. Data has been uploaded during quarter 3 and the output is expected early quarter 4.

Annual NFI Exercise

Data was uploaded during December and generated two thousand, two hundred and twenty matches that require further investigation. This compares to three thousand, two hundred and sixty two matches in 2019, which has resulted in revised council tax bills totalling more than £30,000.

Policies

The Anti-Money Laundering Policy

Cabinet approved the policy on the 17 December 2020, which followed Audit Committee consideration on 17 November 2020. The Investigation Team has produced an eLearning training module, which will complement the policy and will be made available and communicated to all relevant staff shortly.

A further policy has been drafted and is due to be presented to Audit Committee:

Monitoring Employees at Work Policy

The Monitoring Employees at Work Policy has been produced to provide guidance to managers of the Council who may carry out an investigation and are considering monitoring an employee. It will be rare for covert monitoring (surveillance) of employees to be justified, it should therefore be used in exceptional circumstances.

Audit Committee is considering this policy under agenda item 10.3.

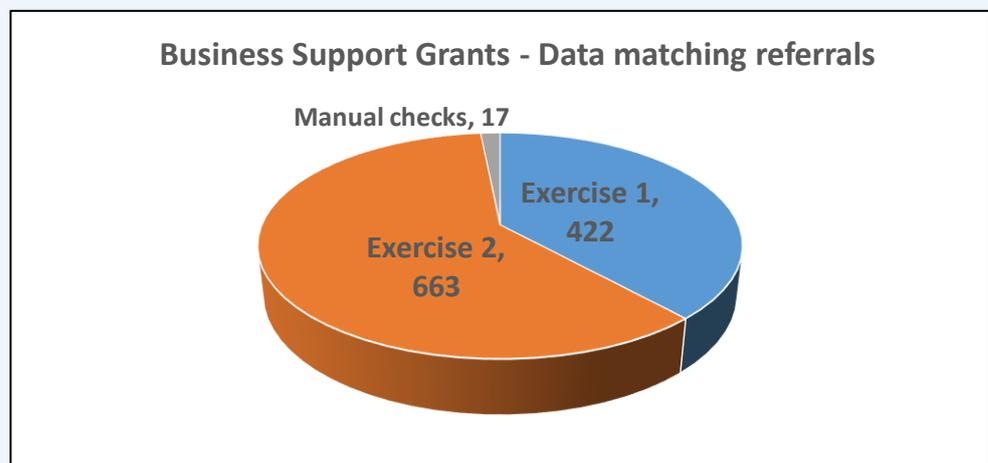
COVID-19 Support Grants

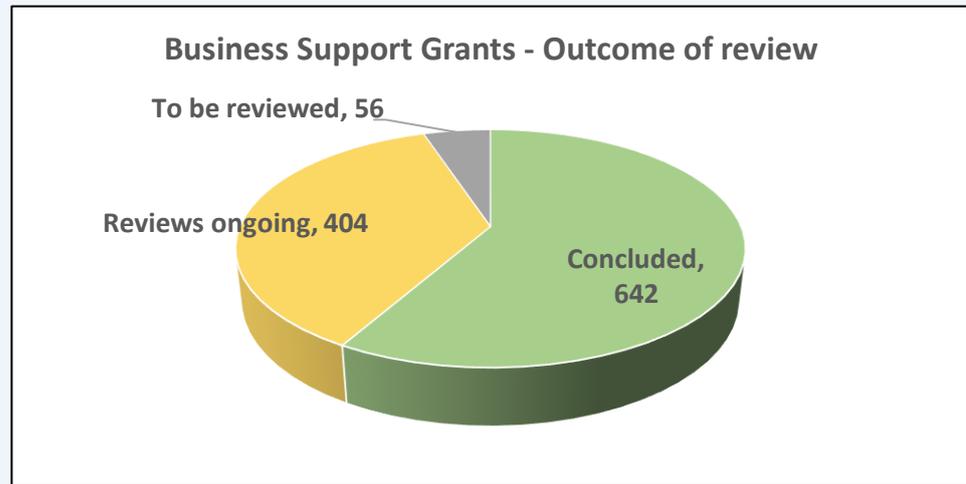
Internal Audit and the Investigation Team continue to provide support and guidance to colleagues in respect of the numerous COVID-19 funds and grants that have been administered. More than five thousand grant applications were processed with a total value exceeding £68million.

Extensive post payment verification has been undertaken in respect of the business support grants. The Investigation Team has worked with Audit Wales and the Cabinet Office to participate in, and develop a pilot data matching exercise and also a second data analysis exercise.

Additionally, Audit and Investigation Team staff have worked with colleagues to conduct manual checks of entitlement / eligibility, using information submitted on the payment file, and open source information to confirm businesses were trading.

Through data matching exercises, one thousand and eighty five matches were generated, identifying grants that required a review, a further 17 payments were identified for manual checks:

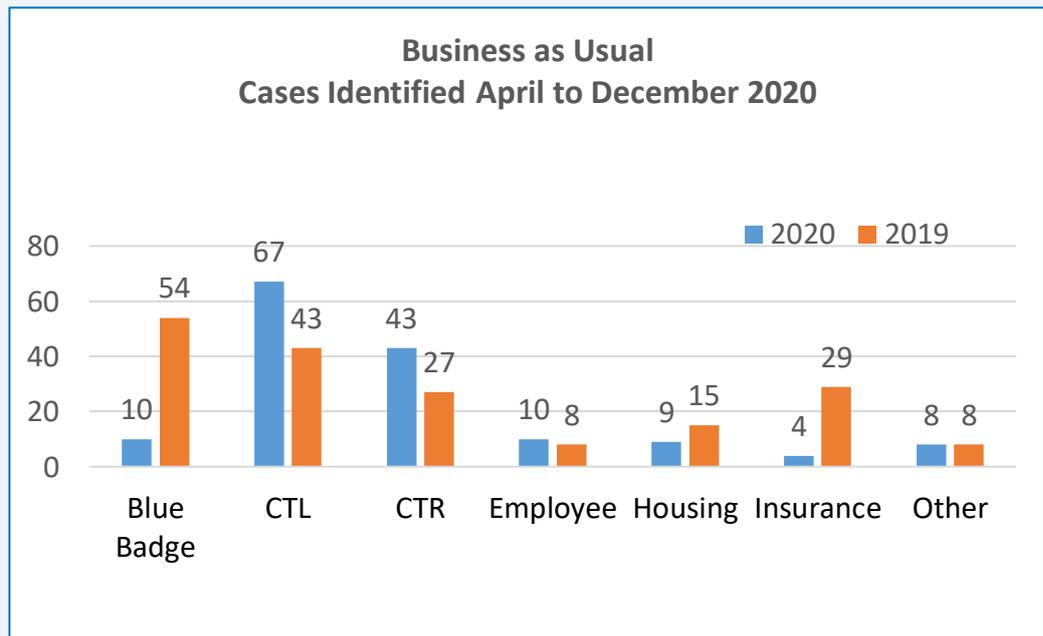




Included within the reviews ongoing, are many examples of out-of-date information on the business rates system, whilst this does not relate to fraud or error, officers are working through the list to update records. To date £495,000 has been identified as paid in error, and subject to recovery action. The review of fifty-six matches has not yet commenced.

'General' Cases Identified for Investigation

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

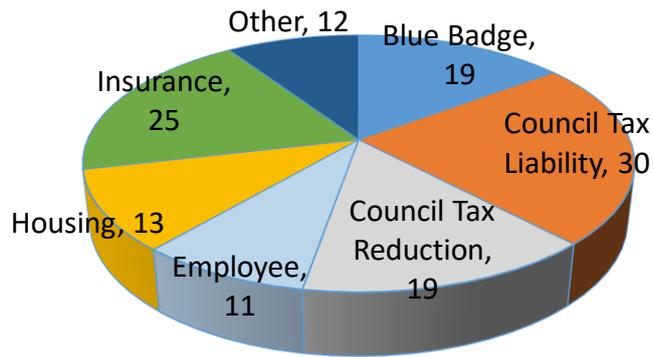


'General' Ongoing Cases

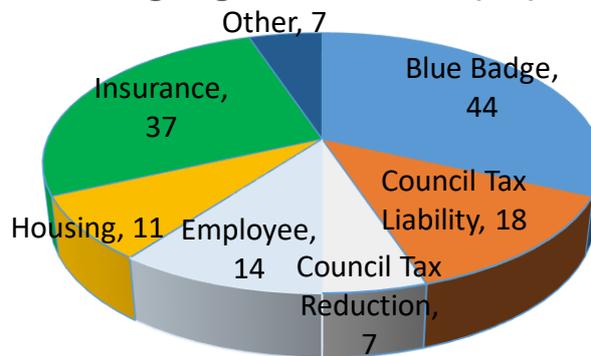
The cases designated as Other in 2020 related to CTAX exemptions, Phishing, Planning and Special Education Needs.

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

Ongoing Cases 2020/21 (Q3)



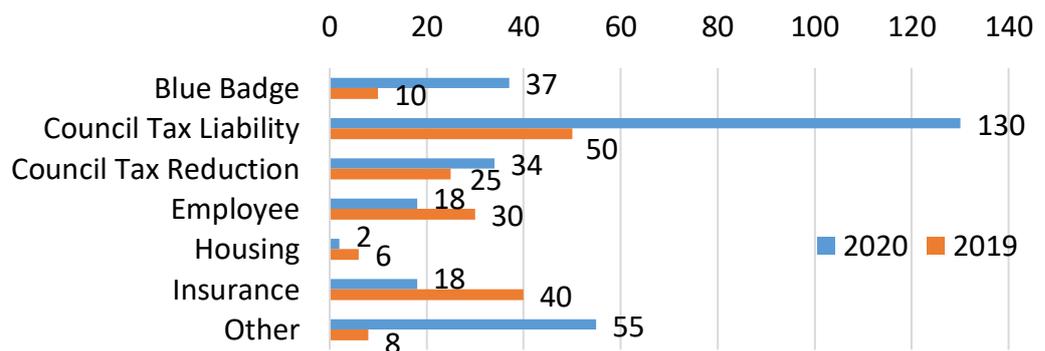
Ongoing cases 2019/20 (Q3)



'General' Concluded Cases

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

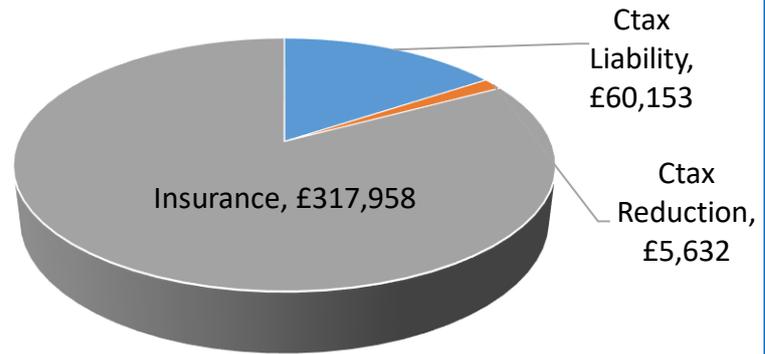
Investigations concluded April to December 2020



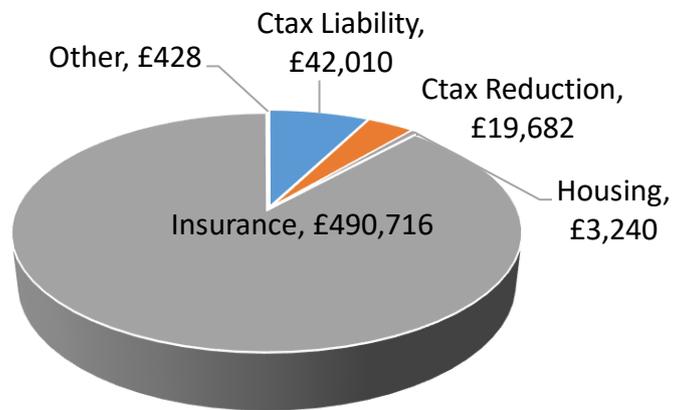
Financial Value

Excluding the stand alone Business Grants work, £383,743 has been attributed to concluded cases in the 2020/21 year to date, compared to £556,076 for the same period last year:

Value of Closed Cases 2020/21 (Q3)



Value of Closed Cases 2019/20 (Q3)



* Court imposed Blue Badge fines and costs, and any notional values are excluded from the above.

- Insurance cases relate to contrived, exaggerated, fictitious misrepresented and staged claims, reported via the insurance section.
- 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



On-street enforcement activity, overseen by Planning, Transport and Environment, resumed during quarter 3 and the Magistrates Court has continued to work through the backlog of cases.

Between April and the 30 December 2020 twenty nine sanctions were administered, compared to 10 for the same period last year: