



Resources Directorate Internal Audit Section



Investigation Team Progress Report

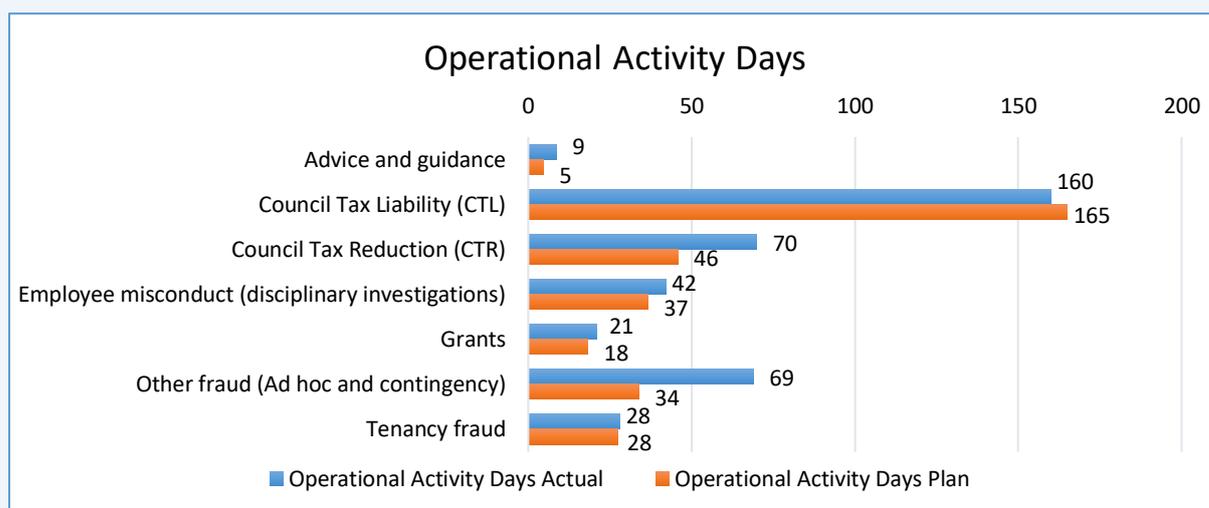
(As at 28 February 2022)

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 28 February 2022, the team have applied 452 days as follows:



*Additional time applied against 'other fraud (ad hoc and contingency)', related primarily to proactive data matching exercises targeting Payroll, Creditors and VAT.

Training and Awareness

Mandatory Fraud Awareness training continues to be delivered. As at 28 February 2022, more than six thousand, one hundred employees had completed the eLearning or attended a face-to-face session.

Anti-Money Laundering eLearning training 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.

An Internet Investigation Procedure has been developed by the Corporate Investigation Team and Legal Services, to support effective, safe and legal use of the internet to obtain information about individuals or businesses. For example, the Council may need to check online if a business is still trading or to make relevant social services / safeguarding checks. The procedure will apply to all Council officers with effect from 1 June 2022 and is commended to schools for consideration and adoption by their respective Governing Bodies. A staff information article will be published shortly, and officer training will be given in April and May. Arrangements are being made for training to be delivered to Headteachers and School Governors separately.

COVID Grants and Schemes

As referred to in previous updates, the Audit and Investigation Teams, 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.

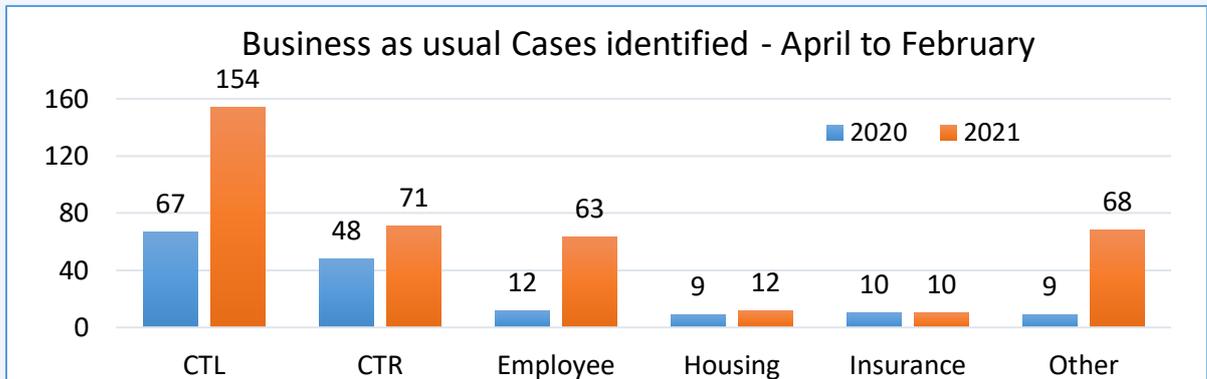
Twelve grant recipients are subject to ongoing review, the Investigation Team is also progressing one criminal investigation at the present time.

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

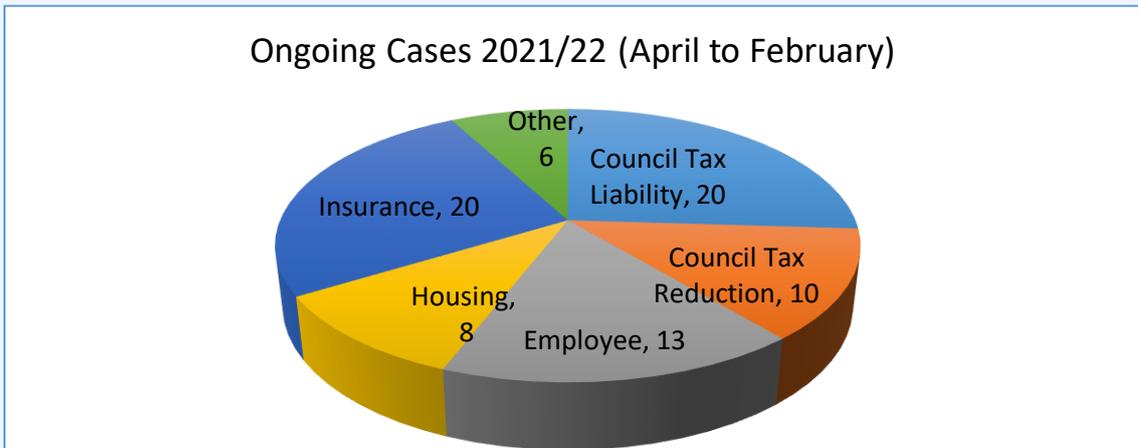
Excluding the stand-alone Business Grants work, as detailed above, three hundred and seventy-eight cases have been identified for investigation so far this year, compared to one hundred and fifty-five for the same period last year:



The cases designated as other this year related to, two grants, NFI creditor / payroll and VAT overpaid NFI matches and a school investigation.

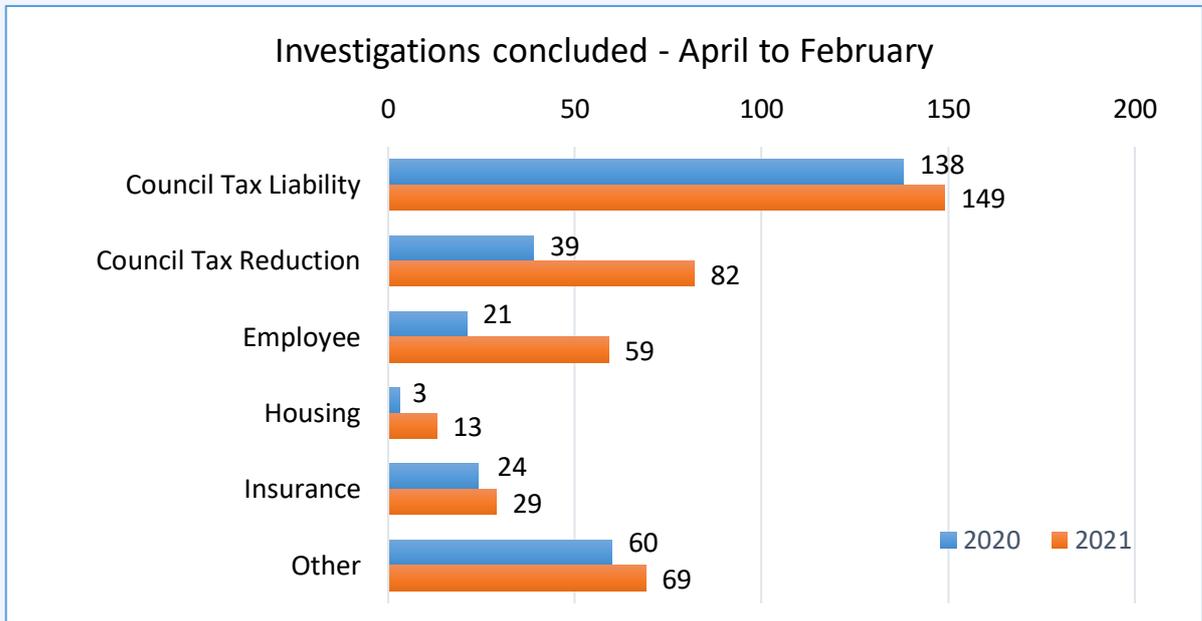
'General' Ongoing Cases

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



'General' Concluded Cases

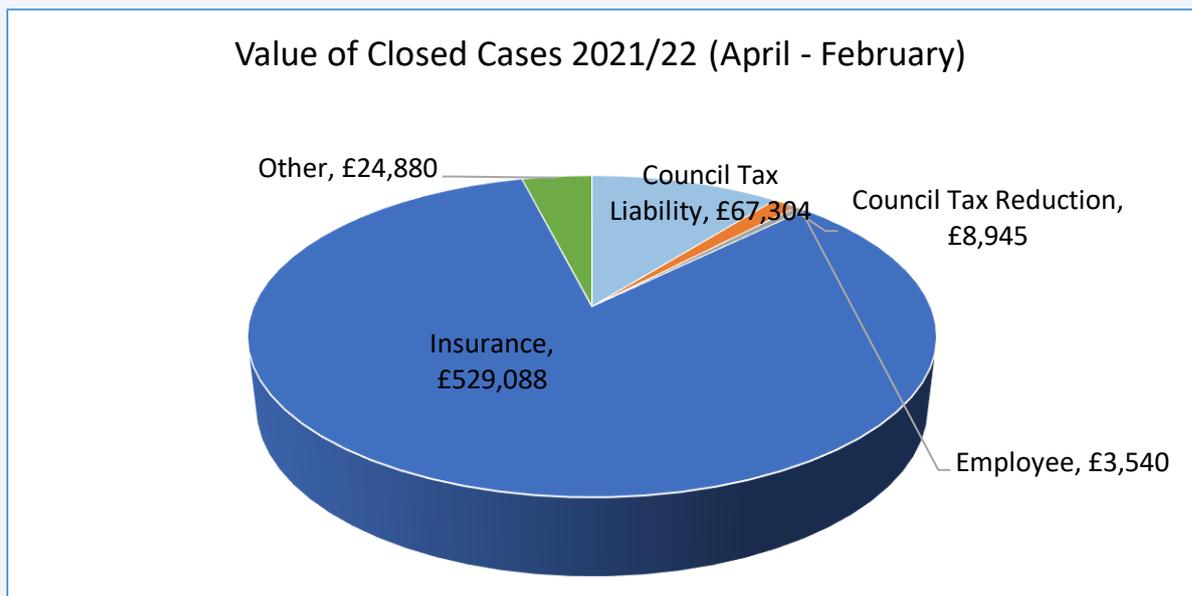
Excluding the stand-alone Business Grants work, as detailed separately, four hundred and one investigations have concluded so far this year, compared to two hundred and eighty-five over the same period last year:



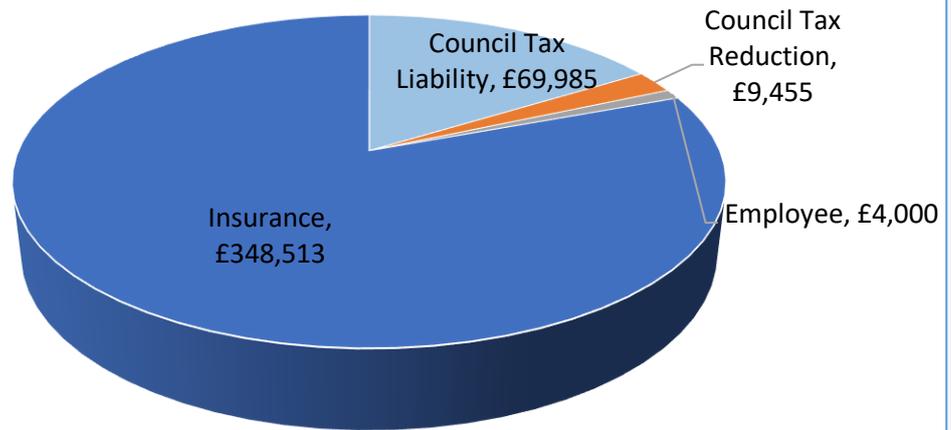
**64 of the concluded 'other' cases related to NFI creditor / payroll and VAT overpaid matches.*

Financial Value

Excluding the stand-alone Business Grants work, £633,757 has been attributed to concluded cases in the 2021/22 year to date, compared to £431,953 for the same period last year:



Value of Closed Cases 2020/21 (April - February)



- 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 sixty-six badges were seized, there are thirty-five cases ongoing which are at various stages of investigation, including being prepared for / due to go to Court.

Between April 2021 and the 28 February 2022 thirty-four sanctions were administered (two cautions and thirty-two prosecutions).