

Summary of Special Investigations/Counter Fraud Activities

Special Investigations/Counter Fraud Activities

Within 2020/21, the Counter Fraud Team (CFT) within Internal Audit received twelve new referrals and continued to work on six cases from previous years.

The service areas of the cases referred to Internal Audit within 2020/21 are categorised as follows: Adults (3); Childrens (3); Corporate (1) Community Safety (1) Economy, Environment and Infrastructure (4).

2020/21 referrals closed cases

Of the 12 cases referred to the CFT within 2020/21, seven have now been closed. Five of those seven closed cases have previously been reported to the Audit and Governance Committee.

The first of the two new closed cases not previously reported involved alleged concerns at a school within the County. The investigation established that the allegations were not accurate in their detail and what was perceived to be an error was not so. However, the CFT felt that some of the historic school expenditure did appear on the high side and the Education team are undertaking a more detailed look at the school finances in general. The second closed case related to the behaviours of a specific contractor employed by the Council. The contractor was contacted and the staff were dealt with in accordance with the company's employment policy.

The remaining ongoing open cases will be reported to Audit and Governance Committee once they have been closed.

Current year (2021/22) referrals

To date, within 2021/22 the CFT has received four new referrals of which three have been closed.

The referrals are in the following service areas: Adults (2); Childrens (1); Community Safety (1)

Of the three closed cases, one was in the Adults Social Care area. An investigation by the CFT quickly established that the concerns raised had already recently been identified and investigated. It was established that procedures to improve and strengthen the internal controls had been introduced and were being monitored using an action plan. The second case related to a whistleblow call reference potential concerns at a school. The concerns were passed to the Monitoring Officer as the issues were outside of the CFT remit. The Education team will follow up the allegations with the school to resolve the concerns. The third case concerned a

potential non compliance with policy. Upon review the policy was found to be lacking clarity regarding the circumstances raised and required amendment to cover the situation that had arisen. No further involvement by the CFT was required.

Many of the cases referred to Internal Audit involve intricate detail and Police referral. This invariably results in a delay before the investigation can be classed as closed and reported to the Audit and Governance Committee.

The Covid-19 pandemic resulted in a change of working practices for most of the Council's staff, specifically a significant increase in the number of staff working from home. This changed the risk profile for the Council and required some of the control measures in place to be reviewed and amended. During the pandemic fraudsters changed their behaviours and methods to exploit this situation. The CFT monitored issues raised locally and nationally to ensure that any learning identified from these issues were disseminated across the Council.

15th to 21st November 2020 was International Fraud Awareness Week. As in previous years, Gloucestershire County Council signed up as a supporter of this week. During the week, information on some of the more topical scams and areas of increased fraud risk due to the COVID-19 pandemic were shared with the Council's employees using screen pop-ups, Staffnet and social media platforms.

In addition, the CFT provides advice, support and guidance on a number of areas. The promotion of counter fraud helps to ensure compliance with the Council's policies and guidance and mitigate the risk of frauds within the Council.

Following the release of the Fighting Fraud Locally, A Strategy for the 2020's, the Council's Counter-fraud and Corruption Policy, Statement and Strategy 2020-2023 was refreshed.

National Fraud Initiative (NFI)

Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The data collections for the 2021/22 exercise were uploaded to the Cabinet Office between October and December 2020. The data matching reports resulting from the data upload were released from mid January 2021. The timetable can be found using the following link [GOV.UK](https://www.gov.uk/government/collections/national-fraud-initiative).

Examples of data sets include insurance, payroll, creditors, pensions, blue badges and concessionary bus passes. Not all matches are investigated but where possible all recommended matches are reviewed by either the appropriate service area or in some cases Internal Audit. Any irregularities identified will be reviewed by the CFT.

In respect of the 2018/19 exercise £19,115.93 was identified for recovery action within 2019/20 (Pensions/Pension Gratuity to DWP Deceased matches).

Council wide fraud and irregularity activity relating to 2020/2021 including Internal Audit activity

| Question | Gloucestershire County Council Response |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers. | 0 |
| Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud. | The Council has access to 2.6 FTE fraud investigators. |
| Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists. | The Council has access to 2.6 FTE fraud investigators. |
| Total amount spent by the authority on the investigation and prosecution of fraud. | Approximately £66,948 in staff time from ARA. |
| Total number of fraud cases investigated. | 21 |

In addition to the above, it is recommended that local authorities should go further than the minimum publication requirements set out above (as detailed for Gloucestershire County Council) in the table below.

| Question | Gloucestershire County Council Response |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Total number of cases of irregularity investigated. | 8 |
| Total number of occasions on which a) fraud and b) irregularity was identified. | (a) 1 (b) 24 |
| Total monetary value of a) the fraud and b) the irregularity that was detected. | (a) £200 (b) £80,254 (Excluding ongoing cases where value is currently not known) |
| Total monetary value of a) the fraud and b) the irregularity that | (a) £0 |

| | |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|
| was recovered | (b) £40,295 (includes monies related to previous years and excludes on going cases and recoveries not repaid within 2020/21) |
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N.B. The Council also identified 43 cases where assets were given away/gifted/transferred to family members by service users (or their representative) requiring care. This is referred to as *deprivation of assets*. The value of the assets 'given away' in 2020/21 confirmed by the Financial Assessment and Benefits service was £998,473.13; however, this is not necessarily the value of the potential loss to the Council as it would depend on the length of time that the care service would be required. In each case the value of the asset has been taken into account when calculating the service user's contribution towards the cost of their care.

Full details about the code and its requirements can be found at:

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>