

# **Appendix 1**

## **Internal Audit & Investigations**

### **Quarterly Update Report Q3**

## 1.0 OVERVIEW

### 1.1 Purpose & Scope of Report

1.1.1 The purpose of this report is to provide an update on the progress made against the delivery of the Internal Audit Plan. This report provides details of audits finalised in quarter three of the 2023/2024 financial year.

### 1.2 Assurance Framework

1.2.1 Each Internal Audit report provides a clear audit assurance opinion. The opinion provides an objective assessment of the current and expected level of control over the subject audited. It is a statement of the audit view based on the work undertaken in relation to the terms of reference agreed at the start of the audit; it is not a statement of fact. The audit assurance opinion framework is as follows:

Opinion	Explanation
No Assurance	“Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.”
Limited	“Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.”
Reasonable	“There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”
Substantial	“A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.”

1.2.2 The assurance opinion is based upon the initial risk factor allocated to the subject under review and the number and type of recommendations we make. It is management’s responsibility to ensure that effective controls operate within their service areas. Follow up work is undertaken on audits providing **limited** or **no** assurance to ensure that agreed recommendations have been implemented in a timely manner.

## 2.0 HIGH LEVEL SUMMARY OF AUDIT FINDINGS

	Recs			Assurance	
2.1	Commercial Investments (Oracle Agreement)	0	5	0	Reasonable

2.1.1 An audit of the Council's Commercial Assets and Investments was completed as part of the 2022/23 Internal Audit Plan, which gave a Reasonable Assurance opinion. This covered a range of controls with audit testing focussed upon a specified group of assets/properties. This audit was requested by the Assistant Director Property & Asset Management and focused upon the Oracle Lease Agreement with Hammerson Plc., plus RBC's percentage income relating to the Oracle.

2.1.2 Our audit concluded that a reasonable governance structure is in place. The current governance and financial management arrangements focus upon the wider Asset Management portfolio of which the Oracle Agreement forms a part. Having been in place for some 26 years (since 1997), this Agreement has operated quite smoothly for years and has yielded a stable income for RBC, initially with a standard clause whereby a minimum £165,000 per annum was due for the first three years of the Agreement and subsequently to an Equity calculation formula. This Agreement was significantly impacted by the Covid pandemic with effect from March 2020, with extensive closure of retail units and the subsequent permanent closure of several units during the past 2 to 3 years. In addition, capital allowances, i.e., "Capex" are deducted from the Head Rent total as part of the calculation payable to RBC thereby further reducing the rent apportionment sums received.

2.1.3 The financial audit trail is reasonably complex given the differing financial years between RBC and the Oracle Agreement Management Company Hammerson plc, thereby requiring accruals and adjustments in the financial reconciliations. Quarterly AR invoices set/raised throughout the year with values based on Estimates supplied; a Balancing Charge then calculated and invoiced separately (or repaid if applicable) following submission of the signed audited Accounting Statements for Hammerson. Capital adjustments required including Capex and REFCUS (Revenue Expenditure Funded from Capital Under Statute), applicable since 2015/16.

2.1.4 A reconciliation process has been developed since the current Finance Team have been working together in this area (the current Business Partner taking up this role in early 2020). Evidence was provided during this audit to confirm the current processes followed and the data reconciled each year to date, however a project is currently in progress by the Finance Team to develop the process to:

- More clearly reflect the Oracle income specifically within the asset portfolio group, ensuring that all adjustments applicable to each financial year between 2015/16 (when the REFCUS practice became effective) and 2022/23 are reflected accurately.
- Ensure that all items are correctly accounted for with a clearer reconciliation process in place going into the new e5 financial system from December 2023.

- 2.1.5 A process is also in place to review the budget position for each monthly period which covers the Asset Management portfolio group of which the Oracle forms a part. The above project is also expected to enable more specific budget management reporting for individual assets including the Oracle.
- 2.1.6 The income levels have fallen significantly in recent years from around £457,235 in 2020/21 (which includes brought forward Balancing Charges from the previous two years) to around £236,532 in 2021/22 and £186,908 in 2022/23 (however this does not include a Balancing Charge as yet).
- 2.1.7 The Finance Team have liaised with RBC’s external auditors (EY) concerning the falling valuation levels pertaining to the Oracle asset in recent years. This fell from around £12 million to £8.5 million by the close of 2020/21. A programme of annual valuations was set up with Sanderson Weatherall to help manage this risk and maintain a watching brief; asset revaluations would usually form part of the 5-year rolling programme. This has been included in Highlight reports presented to the Board, although the issue of falling asset values does not currently appear to be specified within the Risk Registers.
- 2.1.8 Several significant changes are on the horizon in the coming 3-year period which affect this Agreement, this forms part of the wider Reading Centre Regeneration Project. Although developments are at an early stage, the Oracle Agreement including the rent income apportionment arrangements are expected to be revised in due course.
- 2.1.9 We have given a Reasonable Assurance level at this stage, given the overall governance framework applied in this area, however there is scope for improvement within the financial reconciliation and budget reporting process which is currently work in progress by the Finance Team. We made 5 medium priority recommendations with regard to administering the Agreement more effectively and improving the financial reporting structure.

	Recs			Assurance	
2.2	Itrent (Payroll) Expenses	0	2	1	Reasonable

- 2.2.1 Following our previous audit of payroll in January 2021, which provided a ‘substantial’ assurance opinion, this review was undertaken to provide assurance over the Itrent Employee’s Self-Service system for payments for additional time, staff expenses, and mileage claims.
- 2.2.2 ITrent is a cloud-based integrated payroll and human resource system. It has two access points, one for employees and one for managers. The employee self-service (ESS) allows employees to view and update their personal information, make expense claims, and casual workers to submit their timesheets, for their manager to authorise. The manager self-service (MSS) allows managers to review limited personal and employment details for the people who are set up as reporting to them and authorise (or reject) holiday requests and ‘time and expenses’ claims, managing sickness and holiday absence.
- 2.2.3 We found satisfactory controls in place to allow managers to approve and monitor claims made, however guidance requires updating and controls need to be improved to ensure all expenses are supported by receipts, and mileage is claimed appropriately.

- 2.2.4 We're able to confirm that a valid receipt is held on Itrent to substantiate the expenditure for 95% of expenses claimed and paid between April and June 2023 and that processes ensure they are treated appropriately for VAT. However, mileage and expense claims are still not being submitted within the required 90-day time frame to ensure these costs are accounted for on a timely basis for budget monitoring purposes.
- 2.2.5 There was no way to determine or quantify the risk of duplicate claims, because the only information available was from once the claim was submitted (authorised by the Manager). However, 5% of those submitted claims in Q1 were then rejected or corrected by Payroll. Discussions with service managers where errors were found, acknowledged that they needed to take more care in ensuring the time claims submissions were correct when being approved, and they would welcome help with a simpler schedule of rates as these are complicated.
- 2.2.6 There are satisfactory controls in place to ensure that expenses and time paid on Itrent are reconciled to the finance codes on Oracle Fusion so that these costs can be monitored by the service at the budgetary level.

	Recs			Assurance
2.3	Reading Foundation for Art			Limited
	2	5	2	

- 2.3.1 Reading Foundation of Arts (RFFA) was established in 1974 as a registered charity, to either purchase, or assist Reading Museum in the purchase, of significant works for the benefit of the public, by inclusion in the permanent collection maintained by Reading Borough Council (RBC). Purchased works are permanently loaned to RBC for periodic display in Reading Museum and Art Gallery or any public building or place owned, leased or under the control of RBC, or to lend for the purposes of exhibition (following the same processes as all Reading Museum objects).
- 2.3.2 Historically, the Reading Borough Council Treasurer/Head of Finance was the Honorary Treasurer and main bank signatory for the charity; RBC held a separate bank account on behalf of the RFFA. The Council's finance function also provided support in kind to the charity, including sign-off of their financial accounts and insurance. This audit was conducted at the request of the Assistant Director, who had highlighted concerns within this area.
- 2.3.3 There is a strong relationship between Reading Foundation for Art and the Council, which has been driven by the Museum Curator and the Honorary Secretary. The relationship between the Museum Curator and the Foundation is key, together with her knowledge, experience, and oversight. There is also clear alignment between the Reading Foundation for Art and RBC's strategic direction. However, arrangements are still based on the original declaration of trust from 1974 and would benefit from review and updating to reflect current best practice.
- 2.3.4 There is a lack of clarity and documenting of roles and responsibilities carried out by RBC on behalf of the RFFA, with tacit knowledge of these held by a few individuals. There is a risk of tasks being overlooked, over-reliance on the Museum Curator, and loss of knowledge with the departure of key individuals. The lack of clearly understood and documented policies and procedures has led to issues with various finance processes.

- 2.3.5 There is no separate bank account for the RFFA, with their monies being held within the main RBC bank account. Identification and re-allocation of Foundation income is reliant on finance being informed of its arrival, correct identification, and reallocation from the suspense account. There are also no documented or undertaken reconciliations for income or expenditure. There is therefore a risk that not all RFFA income is identified and transferred to the relevant cost code.
- 2.3.6 There also does not appear to be a common understanding as to whose responsibility it is (i.e., finance or the service) to ensure that the Museum service has up-to-date Foundation financial information, nor common agreement as to how often information should be provided to the trustees.
- 2.3.7 Insurance was based on details of items and values from 2018 with an annual inflationary uplift applied, with no updates provided to RBC's Insurance Team on RFFA-acquired items, detailing items held, their value, condition and location nor new acquisitions. There appeared to be a lack of clarity as to whose role and responsibility this fell under.

		Recs			Assurance
2.4	Employee Gifts, Hospitality & Declaration of Interests	2	3	1	No Assurance

- 2.4.1 The Seven Principles of Public Life outline the ethical standards those working in the public sector are expected to adhere to. Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. It is important to avoid any suggestion of improper influence, real or perceived.
- 2.4.2 The Council's Code of Conduct reflects the Seven Principles of Public Life and includes guidance on managing the offer and receipt of gifts and hospitality. The Gift and Hospitality Policy further underpins the Code of Conduct.
- 2.4.3 Examples of personal interests that could conflict with policy, duties, or responsibilities that should be declared using a declaration proforma are also included in the Council's Code of Conduct, which includes membership in a secret organisation, financial and non-financial interests, and undertaking work for another organisation.
- 2.4.4 Although the Council has documented its expectations of staff including roles and responsibilities within these areas, there is a failure of governance to ensure that it has taken the opportunity to ensure staff are aware of these expectations, to provide a robust process which staff are proactively encouraged to use, and to manage, monitor and report declarations.
- 2.4.5 The Council has documented its expectations of staff and their responsibilities regarding gifts and hospitality and declaring of interests, however, these policies are not aligned, clear, or up to date and in some cases they were conflicting. Furthermore, it was not possible to establish which employees had received a copy of the Employee Code of Conduct (CoC), which details the expected behaviours, beliefs, and culture of the Council and forms part of the conditions of employment.

- 2.4.6 The onboarding process requires staff to receive a copy of the CoC, but systems do not allow for easy confirmation that this had happened or that staff had read the CoC and were aware of their responsibilities. The Council has missed an opportunity to obtain a declaration of interest from when the new starter commences employment or during the sign-off of the probationary period.
- 2.4.7 Only one (recently created) gifts and hospitality register, managed at Directorate level, was located during the audit. In addition, some historic records were located on the Iken system, further proving the process is disjointed and unorganised.
- 2.4.8 The gifts and hospitality register that was located was not replicated across the Council. A recommendation has been made to find a centralised solution that would allow for easy monitoring and reporting by service, directorate, or entire Council.
- 2.4.9 Generally, there was an accurate understanding of what a declaration of interest was, but with no registers located during the audit, it is obvious that the expected procedures are not embedded. Furthermore, agency workers are missed from this process and pose a risk, particularly in service areas of vulnerability.
- 2.4.10 The current method of Directorate registers (for both gifts and hospitality and declarations of interests) is outdated, ineffective, and disjointed. It is recommended that an electronic process be established that will allow declared interests to be accessible to the manager, whether that manager remains constant or changes due to reassignment or replacement. This would allow for mitigating intervention to be put in place to protect both the staff member and the Council, which is currently not being managed. For this reason, it is audit's opinion that the declaration of interests' process should be held on iTrent, as all employees have an iTrent account and the line manager is updated when necessary.
- 2.4.11 There is no corporate requirement to consider the risks associated with system access of staff that have declared an interest in an account, person, or company that is on one of the Council's key systems. Only three of the system owners contacted confirmed that declarations of interest are considered, two proactively upon user set up, although none refresh that declaration.

		Recs			Assurance
2.5	Continuous Healthcare	0	4	0	Limited

- 2.5.1 NHS continuing healthcare is an ongoing package of health and social care that is arranged and funded solely by the NHS when an individual is found to have a primary health need. Such care is provided to an individual aged 18 or over to meet needs that have arisen because of disability, accident, or illness.
- 2.5.2 The Council commissioned a project in 2022/23 to review a range of existing cases that were thought to be potentially eligible for CHC funding, the costs for which may be shared through the joint funding arrangement.

- 2.5.3 Although the Council is proactively redeveloping its procedures and processes to ensure people are appropriately assessed before a claim for Continuous Health Care (CHC) is submitted to the NHS, we found there is a risk that social workers could bypass the Council's internal peer-review process of the application before it is submitted for a decision. Although CHC champions and surgeries have been established to help advise and peer review cases where CHC may be required, there is no current requirement or workflow that enforces managerial sign-off, which means there is a risk that either health concerns won't be appropriately assessed before being submitted to MDT by the social worker or left as pending.
- 2.5.4 There are no controls in place for analysing the Multi-Discipline Team's reasons for refusing a claim for CHC funding, advocated by the Council despite having a copy of the decision letter on file. An analysis of the reasons could mitigate the risk of incorrect/incomplete claims and the family's disappointment if refused, provide a more efficient process in terms of social worker time and resources, and prevent the erosion of professional trust due to poor compliance with the CHC guidance, provided by the Department of Health and Social Care.
- 2.5.5 Although there are good separations of duties in place between the assessment and recovery, better communications are required to reduce the silo working practices currently in place.
- 2.5.6 The methodology for monitoring and reporting upon the assessment and approval status of the project and general CHC caseload needs to be standardised and consolidated under a common DASH board. This is currently uncoordinated and excludes confirmation on the closure of care packages on Mosaic and the recovery action. This is exacerbated by a lack of documented procedures clarifying the responsibilities and the methodology for calculating and ensuring the debt is paid and not disputed by the NHS. A better management accounting code structure needs to be developed to improve the transparency on the level of shared CHC funding and CHC costs that are being recuperated so that this can be monitored more effectively within the budget program and strengthen the accounting for any budget savings.

	Recs			Assurance	
2.6	Iken Billing Process	0	4	0	N/A

- 2.6.1 The Joint Legal Team (JLT) is a shared service, hosted by Reading Borough Council, which advises the Berkshire Unitarities with the discharge of their functions in children's and adult's social care.
- 2.6.2 At year end, the billing figures gave cause to query the data and it was suspected there was an error in the case management system, as figures would not balance as expected. After some enquiries with the system supplier, Iken, it was discovered that there were limitations to the total number of rows of data that can be exported within the report.
- 2.6.3 This review was requested by the Assistant Director of Legal & Democratic Services in response to the identification of incomplete financial reporting to partners and to provide assurance that the error was the issue.



- 2.6.4 Through our enquiries we identified that it was not a system error, as originally thought and the mistake occurred because of human error, as the responsible officer had not been made aware of the default Iken system configuration. This incident could have been avoided if partner reports were run individually rather than grouping them into a single report (thus breaching the report row limit). We were advised that the new approach involved producing one single report for all partner data, whereas previously reports were run for partners individually. In producing one report containing all partner data the system encountered a limitation that meant only the first 100,000 rows of data would be included in the output, with this report data providing the base for analysis and reporting, partners were not receiving complete information and were therefore undercharged.
- 2.6.5 The configuration has been changed following the audit and officers are now explicitly aware that default configurations can impact on report outputs, which should hopefully prevent this incident from occurring again. The Legal Operations Manager is implementing more checks on the data that they send out and is also arranging for the new Finance Subcommittee and Partners to sense check the data.

## **2.7 Grant Certifications**

### **Local Transport Capital Block Settlement (Grant Certification)**

- 2.7.1 There are four funding streams within the Local Transport Capital Block funding, these being the Integrated Transport Block (£1.592k), Highways Maintenance needs element (£817k), Highways Maintenance incentive element (£204k) and the Pothole Fund (£817k).
- 2.7.2 The grants may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003 and the Chief Executive and Chief Internal Auditor are required to sign and return a declaration to the Department for Transport confirming the grants have been spent in accordance with the conditions of the grant determination.
- 2.7.3 Whilst we can confirm that grant funding has been spent in accordance with the grant the total funding for the Integrated Transport Block of £1.592m has yet to be spent.

### **Local Authority Bus Subsidy Grant**

- 2.7.4 A Government decision in 2013 devolved funding to local authorities which was broadly equivalent to the Bus Services Operators Grant (BSOG). Funding was allocated for the period April 2022 to March 2023 to a value of £74,192.
- 2.7.5 The grant can only be used for supporting bus services, including community transport services run under a section 19 permit, or for the provision of infrastructure supporting such services.
- 2.7.6 Having carried out appropriate investigations and checks, in our opinion, the conditions attached to the Local Authority Bus Subsidy (Revenue) Grant 2022/2023 have been complied with.

Key: No Assurance: ■ Limited Assurance: ■ Reasonable Assurance: ■ Substantial Assurance: ■

Audit reviews carried over from 2022/2023

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Housing Repairs	●				Nov-22	Mar-23	Apr-23	2	8	4	Reasonable Assurance
Cyber Security	●				Aug-22	Dec-22	May-23	2	3	2	Reasonable Assurance
Accounts Payable	●				Mar-23	May-23	Jun-23	0	1	2	Substantial Assurance
General Ledger	●				Jan-23	Mar-23	Apr-23	0	6	1	Reasonable Assurance
Client Contributions Follow up	●				Feb-23	Apr-23	Jun-23	0	0	0	Reasonable Assurance
Inflationary Uplifts (Follow up)	●				Jan-23	May-23	May-23	0	0	0	Reasonable Assurance
Leavers and movers' processes	●				Jan-23	Apr-23	July-23	0	5	2	Reasonable Assurance
Adult Social Care Debt	●				Feb-23	Jun-23	Sep-23	1	5	0	Reasonable Assurance
Provider Payments (Adults)	●				Jan-23	May-23	July-23	2	3	0	Reasonable Assurance

Audit reviews for 2023/2024

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Fuel system	●				May-23	Jun-23	Jul-23	4	5	0	Limited Assurance
Commercial Assets & Investments	●				Jul-23	Nov-23	Dec-23	0	5	0	Reasonable Assurance
Intercompany accounting (Follow Up Review)	●				Delayed to Q4						
S117 of the Mental Health Act	●				Jun-23	Dec-23					
Rough Sleeping Accommodation Program Grant Determination RSAP 1 &2	●				Apr-23	Apr-23	Apr-23	0	0	0	Certified
Homelessness Prevent Grant including top up	●				Apr-23	Apr-23	Apr-23	0	0	0	Certified
Rough Sleeping Initiative Grant additional pressures cert	●				Apr-23	Apr-23	Apr-23	0	0	0	Certified
Iken billing process*	●				Jun-23	Sep-23	Oct-23	0	4	0	N/A

\* added to the plan mid-year

Key: No Assurance: ■ Limited Assurance: ■ Reasonable Assurance: ■ Substantial Assurance: ■

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Local Transport Plan Capital Settlement (Grant Certification)		●			July-23	Oct 23	Nov-23	0	0	0	Certified
Local Authority Bus Subsidy Grant (BSOG)		●			July-23	Oct-23	Oct-23	0	0	0	Certified
Bank & Cash Rec inc control account reconciliations		●			Aug-23	Dec 23					
CTAX		●			Apr-23	Jun-23	Jul-23	0	0	2	
Procurement end-to-end process		●			Nov-23	Dec 23					
Payroll (inc HR/Itrent processes)		●			Aug-23	Nov-23	Nov-23	0	2	1	
Public Health Grant		●			Jan-24						
Supported Living Placements		●			Deferred to 2024/2025						
Continuing Health Care (CHC)		●			Jun-23	Aug-23	Sep-23	0	4	0	
Employee gifts and hospitality & declarations of interests		●			Jun-23	Sep-23	Nov-23	2	3	1	
Reading Museums - Reading Foundation of Art		●			Jun-23	Aug-23	Dec-23	2	5	2	
Coroners Service			●		Oct-23	Dec-23					
Subject Access Requests*			●		Dec 23						
Library Improvement Fund (Grant Certification)*			●		Dec 23						
Sec 106 Agreements			●								
Data Security/Information Governance			●								
New Finance System migration			●								
Accounts Payable			●		Deferred to 2024/2025						
Digital Technology and Change - Project Management			●		Deferred to 2024/2025						
Caseload management (inc ASC Front Door)			●		Aug-23						
Learning & Devt, Physical Dev and Mental Health Placements			●		Deferred to 2024/2025						
Community Infrastructure Levy				●	Nov-23						
Homelessness				●							
Accounts Receivable				●	Deferred to 2024/2025						
Deputyship and Appointeeship (Follow up Review)				●							
Scheme of Delegation (adult Social Care)				●	Deferred to 2024/2025						

## 3.0 INVESTIGATIONS (APRIL 2023 – DECEMBER 2023)

3.1 The Council has an establishment of 3.5 officers, who are trained to Police and Criminal Evidence Act 1984 (PACE) codes of practice. These officers predominately carry out planned and reactive investigations into areas including, but not limited to:

- Tenancy – Fraudulent applications for housing or successions of tenancy and subletting of the property.
- Council Tax – Discounts and exemptions, council tax support.
- Blue Badge – Use of counterfeit/altered badges, use when a disabled person is not in the vehicle, use of a deceased person's Blue Badge, badges issued to institutions being misused by employees.
- Internal fraud – Diverting council monies to a personal account; accepting bribes; stealing cash; working elsewhere while claiming to be off sick; wrongfully claiming benefits while working.
- Right to buy – Fraudulent applications under the right to buy/acquire.
- Personal budgets – Overstatement of needs through false declaration, multiple claims across authorities, third party abuse, posthumous continuation of claim.
- Single Person Data Matching and investigation

3.2 In total for the period April 2023 to December 2023, the Corporate Investigations Team has investigated a total of 144 referrals, broken down as follows:

CTRS (Inc SPD)	58 referrals
Housing	42 referrals
Blue Badge	38 referrals
Social Care	01 referral
Election Fraud	01 referral
Internal	04 referrals

Currently: 37 ongoing investigations, including two internal investigations.

### 3.3 Council Tax Support Investigations

3.3.1 Fifty-eight Council Tax Support investigations have commenced to date, with the discount removed in nine cases resulting in estimated savings of **£12,340**.

### 3.4 Housing Tenancy Investigations

3.4.1 Since 1st April 2023, officers have completed investigations into forty-two referrals of alleged tenancy fraud. A total of five properties have been returned to stock to date. All these cases were tenancy-related investigations. There are another fourteen ongoing investigations.

3.4.2 The notional saving achieved on the properties returned to RBC stock is **£558,000** adopting the notional savings multiplier used by the Cabinet Office in its National Fraud Initiative report. CIT has also assisted in the return to stock of one property let through a Registered social landlord (RSL)

3.4.3 The team has also looked at and verified sixteen Right to Buy applications of which nine have been referred to the applicant for further information to be supplied. Three Right to Buy applications have been refused resulting in a rental savings figure of **£20,467** And a notional saving of **£261,602** in discounts.

### 3.5 Disabled Persons Parking (Blue) Badges

3.5.1 Since April 2023 the team has received a total of thirty-eight Blue Badge referrals of blue badge misuse. To date two badges have been seized, five warning letters issued, three cases required no further action, and three cases are ongoing.

3.5.2 Three cases were successfully prosecuted. All the defendants pleaded Guilty to the Blue Badge frauds and were fined a total of **£12,762** including costs.

### 3.6 National Fraud Initiative

3.6.1 In December 2022 Central Government uplifted specific datasets from Reading as part of the National fraud initiative. Since February 2023, when the matches were released for review, a total of 668 cases have been investigated which have resulted in an estimated saving of **£41,211.68**.

### 3.7 Internal Investigations

3.7.1 The team, supported by internal auditors has been involved in several internal investigations. Two of which are still ongoing. One of these is a joint agency complex investigation which has been underway since July. Four cases have been concluded. Information from all these investigations has been used as part of ongoing internal issues.