Appendix B - Summary of Internal Investigations

Contents Page

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1. Direct Payments

Background

1.1 On 12th November 2013 an anonymous call was received in the Financial Assessment & Benefits Team stating that direct payments were being misspent by a named individual and that specifically the named carers did not exist. Following a meeting with the Investigation Steering Panel (ISP) members it was agreed that the service along with finance would visit the client and partner to obtain the necessary supporting evidence and arrange to meet with the carers.

1.2 Events occurred that involved the police and as a result ISP agreed that Internal Audit would carry out the investigation and liaise with the Police.

1.3 A Direct Payment for social care is provided to clients to enable them to choose who provides care and support as detailed in the care assessment with Social Workers. Each client signs an agreement detailing the requirements of the client when taking a Direct Payment. Part of the agreement is that the funds cannot be used to pay for close relatives to provide care, unless under special circumstances, which must be agreed in advance.

Issues Arising

1.4 Based on the initial report there were potential offences under the Fraud Act 2006 & a breach of the Direct Payment agreement between PCC and the client.

Findings

1.5 Two pieces of evidence were provided by the Police one was an admission to the fraud occurring and the second indicating that both parties were complicit in the misuse.

1.6 There is no doubt that the client was eligible for social care services, however the expenditure returns received from the client stated named carers were being paid to provide care, when family members were providing the care.

1.8 Due to the vulnerability of the client it was determined that an informal interview would be undertaken between Social Care and Internal Audit. Due to the circumstances it could not be proven that the client had full knowledge of the use of their direct payment. It appeared the partner had been responsible for completing the expenditure returns.

Outcome

1.9 Due to the vulnerability of the client involved and their eligibility for care, it was determined that no further action would be taken. However any future care would have to be commissioned by the Local Authority rather than through a direct payment.

Appendix B - Summary of Internal Investigations

2. Invoice Payment in Advance

Background

2.1 Internal Audit was contacted by a Head of Service in April 2014, as they had identified payments in advance to an external company which is in clear breach of Financial Rules.

2.2 The payments made totalled approximately £56,000.

Findings

2.3 Three managers were in post at the time, one has since retired, one has left under redundancy and the third has transferred to another service however the current manager was able to provide limited information regarding the procurement history and services provided.

2.4 Two payments totalling £63,000 were made to the company which was to be 'drawn down' when services/products were required. This was on the understanding that the service had entered into a commitment to purchase materials up to a certain value, which would be held in stock by the company.

2.5 The current manager had identified and it was confirmed that the balance outstanding as at March 2014 was £31,818. This was difficult to establish as PCC held no stock records to show what materials had been received although a rough estimate was available and therefore had to place reliance on the external company's records. The company had asked annually how PCC would like to use the funds outstanding and when asked in March 2014 to replay the £31k, made payment immediately.

2.6 From discussions with the previous manager and the company it was confirmed that all of the dealings between PCC and the company were carried out by the manager who has since been made redundant.

Outcome

2.7 The company concerned has repaid the balance outstanding to PCC of £31,818 that it was holding as advance payments. As the officer involved has left PCC employment it was agreed with ISP that no further action would be taken.

Appendix B - Summary of Internal Investigations

3. Complaint re Data Breach

Background

3.1 Internal Audit was contacted by the Corporate Information Governance Officer in September 2014 regarding a complaint received from a member of the public. The complainant raised the allegation that a specific PCC member of staff had accessed confidential information regarding the complainants temporary accommodation address which resulted in her children being 'snatched' by the complainant's estranged husband.

Issues Arising

3.2 Based on the complaint received the following issues arises:

- Potential breach of Data Protection Act 1998 & PCC's Data Protection Policy
- Intentional breaches could result in criminal proceedings against individuals
- The Authority could also receive a substantial fine if a data breach is evidenced

Findings

3.3 The sensitive data relating to the complainants temporary accommodation address was found within five council IT applications and in one network drive location.

3.4 One of the members of staff had access to view the temporary accommodation address however audit logs confirmed that the user had not logged into this application during the period under investigation.

3.5 Activity logs for Housing Options system confirmed that during the period relating to the complaint, five employees viewed the file containing the sensitive data. Following discussions with the Housing Options Manager it was confirmed that all five employees identified had a business need to view the file.

Outcome

3.6 No evidence can be found to certify that the accused party accessed the data relating to the complainants temporary accommodation address in any of the identified applications or network drives.