South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

Report for:	ACTION
Contains Confidential or Exempt Information	NO

For Consideration By	South East Wales Corporate Joint Committee
Report Title	Updated Counter-Fraud, Bribery & Corruption Strategy
Report of	Strategic Director of Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	27 January 2025
Implementation Date	Immediate
Affected Council Areas	All
Keywords / Index	Finance; Counter-Fraud; Bribery; Corruption

Report Summary

1. The report below provides details of the South East Wales Corporate Joint Committee's updated Counter-Fraud, Bribery & Corruption Strategy, which was adopted by the committee on the 1 April 2024, following its transition from the previous arrangements to a standalone legal entity.

Recommendations

2. The South East Wales Corporate Joint Committee (CJC) is asked to:

(1) Note that the updated Counter-Fraud, Bribery & Corruption Strategy was reviewed by the Governance & Audit Sub-Committee at its meeting of the 17 January 2025 and no amendments were proposed.

(2) Consider and approve the updated Counter-Fraud, Bribery & Corruption Strategy attached at Appendix 1;

(3) Note the development of the Fraud Risk Action Plan attached at Appendix 2, progress against the Action Plan will be reported to the Governance and Audit Sub-Committee throughout the year and escalated to the CJC where deemed appropriate.

Reasons for Recommendations and Options Considered

3. To provide the CJC with an updated Counter-Fraud, Bribery & Corruption Strategy, following its adoption on the 1 April 2024. The updated strategy was considered by the Governance & Audit Sub-Committee at its meeting of the 17 January 2025, in-line with their responsibility to:

- review and scrutinise the CJC's financial affairs;
- review and assess the risk management, internal control, performance management and corporate governance arrangements of the CJC.

Background

4. At its meeting of the 18 March 2024, the CJC approved its Constitution, which amongst others matters includes the CJC's Rules of Procedure, its Codes and Protocols and its Standing Orders. Part 4D of the Constitution sets out the CJC's Financial Procedure Rules, with section 6.5 Preventing Fraud, Corruption and Bribery, detailing key controls and the responsibilities of both the Director of Resources and CJC Directors more generally. This sets out the need for the CJC to have an effective Counter-Fraud, Bribery and Corruption Strategy in place, along with the need to maintain adequate and effective systems of internal control to prevent and detect fraud.

5. The CJC has a number of Service Level Agreements in place with Rhondda Cynon Taf County Borough Council (RCT) to provide various services to the CJC including financial, audit and risk management services. In addition, RCT hosts all of the CJC's financial systems and provides support in terms of data handling, storage and protection. For this reason, the Counter-Fraud, Bribery & Corruption Strategy adopted by the CJC on the 1 April was largely based on RCT's Strategy, updated as appropriate.

Key Considerations

6. Following its transition on the 1 April 2024, the CJC has undergone a period of bedding down, allowing the practical working arrangements between the CJC and RCT officers to be fully understood and complement each other. In particular, many if these working arrangements relate to roles and responsibilities in respect of the CJC's financial systems, processes and internal controls. This provides the CJC with an opportune time to carry out a risk assessment with a view to updating its Counter-Fraud, Bribery & Corruption Strategy, and developing a Fraud Risk Action Plan in response to the risks identified.

7. The CJC's updated Counter-Fraud, Bribery & Corruption Strategy is attached at Appendix 1 and which for ease of reference, continues use the 'Cardiff Capital Region' terminology. The Strategy is consistent with the latest national

public sector methodology – Fighting Fraud and Corruption Locally 'A Strategy for the 2020s'. The strategy is set out in the following five sections:

- Section 1: Introduction & Purpose;
- Section 2: Governance Arrangements;
- Section 3: Resources in place to Counter-Fraud, Bribery & Corruption Risks;
- Section 4: Reporting Concerns;
- Section 5: Conclusions.

8. A key feature of the updated strategy relates to the resources which the CJC has put in place to counter-fraud, bribery and corruptions risks. As outlined above, RCT provides the CJC with a range of support via Service Level Agreements (SLAs). The Internal Audit SLA has been reviewed and updated to include access to its dedicated Corporate Fraud Team. These arrangements will work alongside the CJC's wider counter-fraud, bribery and corruption programme of resources, which include:

- Deterrence;
- Programme of Training and Awareness for all CJC Members and Officers;
- Collaborating with Others to Prevent and Fight Fraud;
- Continual Assessment of Fraud, Bribery & Corruption Risks;
- Advisory work aligned to the outcome of the risk assessment;
- Investigatory & Reporting Work;
- Governance & Audit Sub-Committee and Senior Executive Team – Reporting Arrangements;
- The work of Internal and External Audit.

9. In line with the above, the CJC has now completed its 2024/25 risk assessment and developed its Fraud Risk Action Plan in response to the risks identified. This is set out at Appendix 2 and outlines six initial actions, along with target dates and details of the responsible officers charged with ensuring the actions are progressed in a timely manner.

10. The Fraud Risk Action Plan reflects the CJC's current stage of maturity and the nature of its business, and includes matters such as the need for the CJC to sign-up to the National Fraud Initiative (NFI) - an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud etc. As the CJC evolves and matures, it is envisaged that the Fraud Risk Action Plan will also evolve in its level of sophistication, to ensure the CJC operations and culture remains at the forefront of industrywide best practice in the prevention and detection of fraud, bribery and corruption.

11. Regular updates on the progress against the Fraud Risk Action Plan will be initially reported to the Governance & Audit Sub-Committee as part of its annual work programme. Where deemed appropriate, the Governance & Audit Sub-Committee has the ability to escalate risks to the CJC for information and/or further consideration.

12. The updated Counter Fraud, Bribery & Corruption Strategy was considered and reviewed by the Governance & Audit Sub-Committee at their meeting of 17th January and no amendments were proposed.

Comments of the s.151 Officer

13. The Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for CCR's financial affairs. In addition, Part 3 (Financial Management and Internal Control) of the Accounts & Audit (Wales) Regulations 2014 states:

'The accounting control systems determined in accordance with paragraph (1)(b) must include:

4.1 *measures to ensure that the financial transactions of the body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records.'*

14. Following its transition, the CJC has aimed to put in place sound financial systems and procedures that incorporate efficient and effective internal controls. A significant element of this has been achieved by adopting mature systems (and related processes) operated by RCT through Service Level Agreements, which are continually assessed and reviewed. The CJC's Internal Audit Plan has been structured to test how these arrangements are operating in practice, and in particular, to give assurance that appropriate controls are in place for the prevention and detection of fraud, bribery and corruption.

15. The cost of deploying the resources outlined in the updated Counter-Fraud, Bribery & Corruption Strategy can be met from the CJCs existing revenue budget.

Comments of the Monitoring Officer

16. It is critically important that proper governance procedures are in place (particularly an Anti-Money Laundering Strategy, Counter Fraud, Bribery & Corruption Strategy, Contract Procedure Rules, Financial Procedure Rules, Codes of Conduct and Whistleblowing Policy), which are supported by a robust programme of counter fraud awareness measures and assurance reviews, to assist in complying with anti-corruption law, in particular the Bribery Act 2010, and reduce the risk of reputational damage and financial loss.

17. The Counter-Fraud, Bribery and Corruption Strategy sets out CCR's arrangements for safeguarding the public funds and resources entrusted to it, discharging its legal responsibilities and adhering to best practice guidance.

Staffing Implications

18. There are no Staffing implications arising from this report.

Equality, Human Rights and Community Cohesion

19. No adverse equalities implications have been identified.

Well-being of Future Generations

20. Regard has been had to the well-being duty arising under the Well-Being of Future Generations (Wales) Act 2015.

Welsh Language Implications

21. None.

Background Papers

None

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Meeting Date: 27 January 2025

Appendices

Appendix 1 – Draft Updated Counter-Fraud, Bribery & Corruption Strategy
Appendix 2 - Draft Fraud Risk Action Plan

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COUNTER-FRAUD, BRIBERY & CORRUPTION STRATEGY

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DOCUMENT CONTROL	
POLICY NAME	Counter-Fraud, Bribery & Corruption Policy
Directorate	Resources
Initial Policy Launch Date	1 April 2024
Reviewing Officer	Monitoring Officer
Review Date	24 March 2024
REVISION HISTORY	
Date	Revised By
17 January 2025	Head of Finance
DOCUMENT APPROVAL	
This document has been approval by:	Date of Approval
Senior Leadership Team	26 March 2024
Corporate Joint Committee	27 January 2025

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Foreword

Cardiff Capital Region (**CCR)** has a 'zero-tolerance' culture to fraud, bribery and corruption.

It is essential that we are able to protect our limited resources and assets from the risks associated with fraud, bribery and corruption.

CCR is not immune to these risks. If risks do materialise and funds are lost to fraudsters, then it reduces resources that could be spent on vital services for our region.

CCR has a duty to make clear to all Stakeholders that malpractice in any form will not be tolerated. We need to demonstrate the highest standards of probity and transparency. Whilst all stakeholders have a part to play in reducing the risk of fraud, Elected Members and Senior Management are ideally positioned to influence the cultural tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

CCR's Senior Executive Team and wider Management Teams are expected to deal swiftly and firmly with those who attempt to defraud CCR. CCR will not tolerate fraud, bribery and / or corruption; it will seek to instigate the strongest penalties against those that believe it is acceptable to attempt these offences.

This Counter-Fraud, Bribery & Corruption Strategy sets out the responsibilities and behaviours that are expected of us all. CCR will adhere to the seven principles of public life set out in the Nolan Committee report on Standards in Public Life:

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and

restrict information only when the wider public interest clearly demands. Openness requires an inclusive approach, an outward focus and a commitment to partnership.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

Preventing fraud, bribery and corruption from happening in the first place must be our aim. However, in the event that a fraudulent activity occurs, a robust enforcement response will be applied to pursue fraudsters and deter others.

Section 1: Introduction & Purpose

1.1 Cardiff Capital Region is resolute in its determination that it will not tolerate fraud, bribery, corruption or abuse of position for personal gain. In managing its responsibilities, CCR is determined to protect itself against fraud, bribery and corruption both from within CCR and from any external threats.

1.2 Responsibility for promoting a counter-fraud, bribery and corruption culture is the duty of all those involved in giving political direction, determining strategy and managing. CCR expects that Members and employees at all levels will lead by example in ensuring adherence to legal requirements, financial regulations, codes of conduct, procedures and good practices. As part of embedding this expectation into the culture of the organisation, this document sets the governance requirements, the resources deployed to identify and manage the associated risk along with how individuals can report suspicions and allegations.

1.3 This Strategy applies to Elected Members, co-opted Members of committees and all employees. Where CCR contracts with external suppliers or contractors then appropriate clauses will be included within its contracts in respect of the consequences should fraud, bribery and / or corruption materialise.

1.4 Appendix A provides a summary of all stakeholders along with their roles and responsibilities, with a list of Definitions at Appendix B and types of Local Government Fraud Risk at Appendix C.

1.5 This strategy is consistent with the latest national public sector methodology – 'Fighting Fraud and Corruption Locally: A Strategy for the 2020s'.

Figure 1: The updated Local Government Counter Fraud high level principles:

(Source: Fighting Fraud and Corruption Locally – A strategy for the 2020s)

Govern

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.

Acknowledge

Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.

Prevent

Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

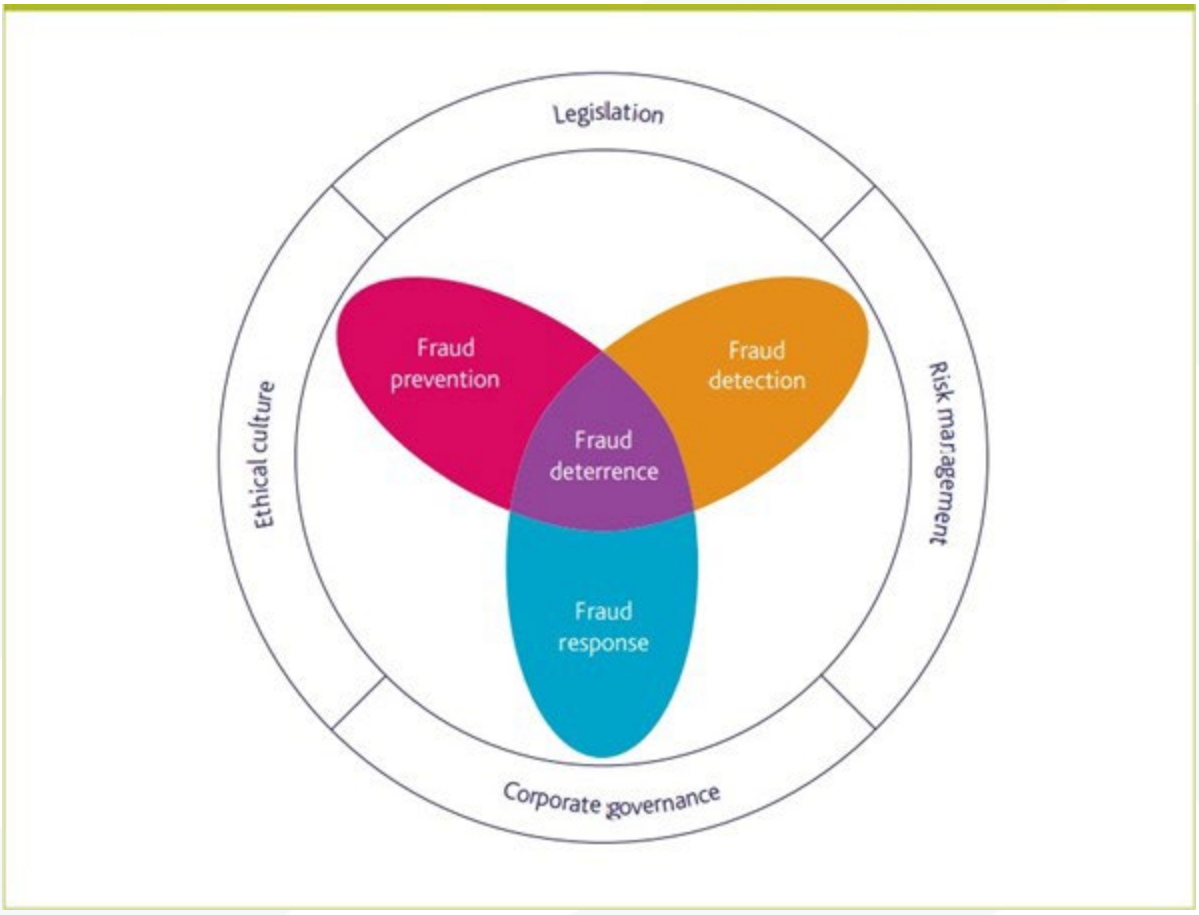
Pursue

Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.

Protect

Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. For CCR this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.

Figure 2 – Provides further context on how all the active anti-fraud components interact to provide an effective strategy:



Section 2: Governance Arrangements

2.1 The Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for CCR's financial affairs. In addition, Part 3 (Financial Management and Internal Control) of the Accounts & Audit (Wales) Regulations 2014 states:

'The accounting control systems determined in accordance with paragraph (1)(b) must include—

4.1 *measures to ensure that the financial transactions of the body are recorded as soon as reasonably practicable and as accurately as reasonably possible, measures to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records'.*

2.2 CCR's aim is to have sound financial systems and procedures that incorporate efficient and effective internal controls. The mechanisms set out within Section 3 of this Strategy aim to deliver CCR's responsibilities associated with the prevention and detection of fraud, bribery and corruption.

2.3 CCR has the following Policies & Procedures which support the implementation of CCR's intentions in respect of countering fraud, bribery & corruption:

- A Counter-Fraud, Bribery & Corruption Strategy that emphasises the importance of probity to all concerned;
- Elected Member support;
- Codes of conduct for Elected Members and Employees;
- Whistleblowing Policy, Complaints Policy and Corporate Feedback Scheme;
- Contract Procedure Rules and Financial Procedure Rules;
- Sound internal control systems, procedures and reliable records;
- Clear disciplinary procedures;
- Effective Internal Audit and Governance and Audit Sub-Committee;
- Access to a Corporate Fraud team and specialist support;
- A risk assessment process in respect of potential fraud, bribery & corruption;
- Effective recruitment procedures;
- Clear responsibilities, accountabilities and standards set out under the Scheme of Delegation;
- Induction and training for employees and Elected Members;
- Information Management Policies and Procedures;
- Sharing of information between CCR departments;
- Stringent controls in respect of gifts and hospitality; and
- Register of Interests for Elected Members and Employees.

Deterrence

2.4 There are a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts, whether they are inside or outside of CCR. CCR supports the following principles:

- Publicising the fact that CCR is firmly set against fraud, bribery and corruption and states this at every appropriate opportunity;
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven e.g. the termination of contracts, dismissal, prosecution, defending potentially fraudulent claims etc.;
- Taking action to effect the maximum recoveries for CCR e.g. through agreement, Court action, penalties, insurance etc.;
- Having sound internal control systems that, although still allowing for innovation, limits the opportunity for fraud, bribery and corruption; and
- Publicising successful prosecutions, if and when these occur.

Training

2.5 CCR has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business by putting in place a structured programme of fraud, bribery and corruption awareness for Elected Members and employees.

2.6 The training & awareness programme of work aims to ensure a strong counter fraud culture is embedded across all CCR areas and this is led by counter fraud experts.

2.7 CCR recognises that the continuing success of this Strategy will depend largely on the effectiveness of programmed training, communication and the responsiveness of Elected Members and employees throughout the organisation.

Collaborating with Others to Prevent and Fight Fraud

2.8 With the rapid increase in recent years of organised fraud perpetrated against public bodies, the necessity to liaise with other organisations has become paramount. CCR is committed to exchanging information with other local and national agencies in order to identify and prevent fraud using data matching techniques. Such activity is carried out in full compliance with the Data Protection Act 2018 and in line with the National Fraud Initiative.

2.9 Any employee found to be perpetrating fraud against another local or national agency is liable to face disciplinary action for gross misconduct, as this has implications for CCR's trust and confidence in the employee.

Section 3: Resources in place to Counter Fraud, Bribery & Corruption Risks

3.1 The Local Government Counter Fraud & Corruption Strategy requires CCE to deploy appropriate resources to counter risks associated with potential fraud, bribery and corruption. The resources in place must have appropriate capability, capacity and competence.

3.2 CCR has in place a Service Level Agreement with Rhondda Cynon Taf County Borough Council to make use of their dedicated Corporate Fraud Team. These arrangements work alongside CCR's counter-fraud, bribery and corruption programme of work, supported by Internal Audit, as required.

Fraud Team - Access to Information

3.3 In order to ensure robust arrangements are in place to investigate allegations of irregularity, CCR ensures that:

- Fraud Officers have unrestricted access to CCR staff, premises and documents for the purposes of counter fraud, bribery and corruption work;
- Fraud Officers are professionally trained and accredited members of staff; and
- If internal auditors support counter fraud work they must be led by a member of the Corporate Fraud team.
- If human resources support counter fraud work they must be led by a member of the Corporate Fraud team.

3.4 CCR's counter fraud programme of work and can be spilt into 3 distinct categories:

1. Risk Assessment

3.5 Undertake and continuously review and evolve the CCR's Fraud, Bribery & Corruption Risk Assessment.

3.6 Fraud, Bribery & Corruption risk identification is essential to understand specific (potential) exposures to risk, changing patterns in potential threats and the potential consequences to the organisation and its service users.

3.7 In order to deliver a robust approach to preventing and detecting potential risk exposure, CCR is required to assess and understand the scope of potential fraud, corruption & bribery risks across CCR. In order to deliver this responsibility, a risk assessment is used as the basis to formulate a programme of counter fraud work which is summarised and communicated in a 'Fraud Risk Action Plan'. The Action Plan will reflect the CCR's stage of maturity, having recently transitioned to its own, standalone legal entity.

3.8 This will be reported to CCR's Governance and Audit Sub-Committee and will reflect the required resources mapped to risks associated with potential fraud, bribery & corruption.

3.9 It is CCR's intention that fraud resources are assessed proportionately to the risks CCR faces and are aligned to the outcomes of the risk assessment which are summarised in a 'Fraud Risk Action Plan'.

2. Advisory work (aligned to the outcome of the risk assessments)

3.10 The first line of defence is to proactively seek to prevent and detect fraud, bribery & corruption.

3.11 The Fraud Risk Action Plan records the outcome of the risk assessment for all areas of CCR's work i.e. it shows those that are assessed as potentially High, Medium & Low.

3.12 The Fraud Risk Action Plan will record where CCR's counter-fraud, bribery and corruption programme of work are to be deployed in order to work with relevant CCR Members and Officers with the aim of reviewing arrangements and if appropriate, recommending preventative and detective controls.

3. Investigatory & Reporting Work

3.13 On receipt of a referral the investigating officer will conduct a thorough investigation based upon the following:

- The matter will be dealt with promptly;
- Evidence will be lawfully obtained and professionally presented, regardless of whether the anticipated outcome of an investigation is a disciplinary hearing, civil action or criminal proceedings;
- Officers will record and make secure all evidence that has been received and ensure that it is sound and adequately supported;
- Where appropriate, contact other agencies; and
- Where appropriate, arrange for the notification of CCR's insurers.

3.14 Any weaknesses revealed by instances of proven fraud, bribery or corruption will be fed back to the relevant CCR officer via a formal report that will include recommendations for improvement. The report will be circulated to the Senior Executive Team and CCR's Internal Audit Service.

3.15 Asset recovery and civil recovery will be considered in all cases.

3.16 In consultation with CCR's Communications Service, successful cases of proven fraud/corruption will be publicised where appropriate, to raise awareness and act as a deterrent.

Connected. Competitive. Resilient.

Governance and Audit Sub-Committee & Senior Leadership Team - Reporting Arrangements

3.17 Throughout the year, statistics will be kept by the Corporate Fraud Team and reported to senior management and the Governance and Audit Sub-Committee which covers all areas of activity along with the outcomes.

3.18 An annual report of all activity undertaken as part of CCR's counter-fraud, bribery and corruption programme(incorporating risk assessment work, advisory work and investigatory work) will be reported to CCR's Governance and Audit Sub-Committee.

Section 4: Reporting Concerns

4.1 Despite the best efforts of CCR in embedding effective internal control frameworks, instances of fraud are often discovered by chance or 'tip-off'. It is often the alertness of Elected Members, employees and the public that enables detection to occur.

4.2 The following section aims to provide clear guidance for raising concerns along with the response that individuals can expect from CCR in order to ensure that allegations are properly dealt with.

Concerns will be treated in confidence, properly investigated and dealt with fairly

4.3 CCR encourages concerns in respect of potential irregularity to be raised in writing via the 'Report it' section of CCR's Website. Individuals should include as much information as possible such as relevant dates, incidents and witnesses. If access to the Internet is not possible, letters can be sent to:

Cardiff Capital Region
Room 6.17
Sbarc
Maindy Road
Cardiff
CF24 4HQ

4.4 The earlier an individual expresses a concern, the greater the opportunity to take appropriate action.

4.5 In order to ensure the integrity of any potential investigation, initial enquiries and a risk assessment will be made to decide whether an investigation is appropriate.

4.6 Concerns or allegations that fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

4.7 Whilst anonymous reports will be acted upon, individuals are encouraged to leave their contact details in order for an investigating officer to make contact and address any supplementary information that may be required. Confidentiality is assured.

4.8 Following receipt of information a coordinated and appropriate investigation will be undertaken to ensure:

- Consistent treatment of information regarding fraud, bribery and corruption;
- A proper investigation by independent, experienced and qualified officers takes place; and
- The optimum protection of CCR's interests.

4.9 Depending on the nature and anticipated extent of the allegations, the investigating officer may work closely with, for example, Management, Human Resources, Internal Audit and/or Legal Services and the Cyber Security team.

4.10 Where financial impropriety is discovered, CCR's presumption is that referral to the Police will be given due consideration, based on the facts of the individual case. The Crown Prosecution Service determines whether or not a prosecution will be pursued. All referrals to the Police will be discussed with the Chief Executive and the Director of Resources. Potential criminal proceedings will not inhibit action under CCR's disciplinary procedure (if the incident relates to an employee).

Whistleblowing Policy

4.11 The CCR's Whistleblowing Policy gives advice for workers on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.

- For the purpose of the Whistleblowing Policy, 'workers' refers to all those that deliver services on behalf of CCR and also those organisations that provide services to CCR i.e. employees, contractors and suppliers; and
- Workers are encouraged to report any concerns via CCR's Whistleblowing arrangements; however they are also able to report concerns via CCR's Countrt-Fraud, Bribery & Corruption arrangements.

4.12 There is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter (if raised by workers).

Section 5: Conclusion

5.1 CCR has in place a clear network of systems and procedures to assist it in the fight against fraud, bribery and corruption. It is determined that these arrangements will keep pace with any future developments, in both prevention and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

5.2 To this end, CCR maintains a continuous review of such arrangements through its Senior Executive Team and policies and procedures. This Strategy will be subject to regular review to ensure it remains fit for purpose.

5.3 In the event that individuals wish to raise a concern outside of the arrangements described in this document, they are reminded that the following points of contact are available:

- The Auditor General, (029 20 320 522);
- Relevant professional bodies or regulatory organisations e.g. HM Revenue & Customs or Health & Safety Executive; and
- The Police via Action Fraud (0300 123 2040).

Appendix A: Roles & Responsibilities

Role	Responsibilities
Chief Executive	Ultimately accountable for setting the tone and culture of the organisation in respect of a zero-tolerance culture. Accountable for the effectiveness of CCR's arrangements for countering fraud, bribery, corruption and cyber risk.
CJC Members	Responsible for setting the tone and culture of the organisation in respect of a zero-tolerance culture.
Director of Resources	To ensure CCR has adopted an appropriate counter-fraud strategy, there is an effective internal control environment in place and there is an adequately resourced and effective Internal Audit Service to deliver assurance. To ensure appropriate arrangements in respect of cyber risk mitigation and assurance.
Monitoring Officer and Director of Legal & Governance	To advise Councillors and Officers on ethical issues, standards and powers to ensure that CCR operates within the law and statutory Codes of Practice. The Director of Legal & Governance is the appointed Monitoring Officer. Part of this role has overall responsibility for the maintenance and operation of the Codes of Conduct set out in the Constitution.
Governance and Audit Sub-Committee	The purpose of the Governance and Audit Sub-Committee is to monitor the adequacy of the risk management framework and the associated control environment; provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment; and to oversee the financial reporting process.
Standards Committee	Promotes and maintains high standards of Member conduct and assists Members in observing the Code of Conduct.

Elected Members	To comply with the Members Code of Conduct and related CCR policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns accordingly. Elected Members are an important element in CCR's stance on fraud, bribery and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with CCR's activities.
External Audit	Statutory duty to ensure that CCR has adequate arrangements in place for the prevention and detection of fraud, corruption and theft.
Internal Audit	Supporting the evaluation for potential fraud.
Corporate Fraud Team	Responsible for the delivery of CCR's Counter-Fraud, Bribery & Corruption Strategy, including the measures in place to acknowledge, prevent and pursue fraud and corruption activity. Provide a dedicated point of contact to report a suspected fraudulent activity. This also includes the co-ordination role in the National Fraud Initiative (NFI).
Directors, Heads of Service and Service Managers	Manage and mitigate the risk of fraud and corruption. To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to Corporate Fraud Team. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing strong internal controls. It is vital that this group show leadership in supporting investigations into fraud and corruption and that they are responsive to implementing actions arising from this work.
Employees	Our employees are the first line of defence against fraud and corruption. They are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable. Also responsible for reporting malpractice through well established 'whistleblowing' procedures. Employees are expected to adhere to the Employee Code of Conduct, Financial Procedure Rules and Contract Procedure Rules. It is the responsibility of all CCR employees to help prevent and detect fraud, bribery and corruption.
Appointed Suppliers & Contractors	Responsible for adopting the tone and culture of CCR in respect of a zero tolerance culture and reporting allegations of irregular activity in line with the recommended approach as set out in this document.

Appendix B: Definitions

What is fraud?

The **Fraud Act 2006** details the legal definitions of fraud and is used for the criminal prosecution of fraud offences. CCR also deals with fraud in non-criminal disciplinary matters.

For the purposes of this document fraud is defined as: the dishonest action designed to facilitate gain (personally or for another) at the expense of CCR, the residents of the Cardiff Capital Region or the wider national community.

The definition covers various offences including: deception, forgery, theft, misappropriation, collusion and misrepresentation.

What is corruption?

Corruption is the offering or acceptance of inducements designed to influence official action or decision making. These inducements can take many forms including cash, holidays, event tickets, meals.

The Bribery Act 2010

The Bribery Act 2010 is designed to combat bribery and corruption. Under the 2010 Act it is an offence for an individual or organisation to offer, promise or give a bribe as well as to request, agree to receive or accept a bribe.

Bribery is defined as the giving or taking of a reward in return for acting dishonestly and/or in breach of the law. There are four possible offences:

- Bribing another person - the offering, promising or giving financial reward to induce to perform a relevant function or activity improperly;
- Receiving a bribe - the accepting of, agreeing to accept or requesting of a reward in return for performing a relevant function or activity improperly;
- Bribing a foreign public official - to offer or give a financial advantage to a foreign public official with the intention of influencing the official or obtaining or retaining business, where the official is neither permitted nor required by written law; and
- Corporate offence of failing to prevent bribery - if an organisation fails to stop people who are acting on its behalf from being involved in bribery.

Further guidance is available from the Ministry of Justice to explain to organisations what action is required to ensure they are compliant.

In addition to the above, Facilitation Payments are a form of bribery made with the purpose of expediting or facilitating the performance by an overseas public official of a routine governmental action to obtain or retain business or any other undue advantage. Facilitation payments differ from outright bribery and corruption. In some countries, it may be considered normal to provide small unofficial payments under certain circumstances, although this practice is illegal in most countries.

What is theft?

Theft is stealing any property belonging to CCR or which has been entrusted to it (i.e. client funds), including cash, equipment, vehicles, data.

Theft does not necessarily require fraud to be committed. Theft can also include the stealing of property belonging to our staff or Elected Members whilst on CCR property.

What is money laundering?

Money laundering is the process by which criminals attempt to 'recycle' the proceeds of their criminal activities in order to conceal its origins and ownership and which leaves them with money that cannot be traced back. All employees are instructed to be aware of the increasing possibility of receiving requests that could be used for money laundering and illicit requests for money through emails. Detailed guidance is set out in CCR's Money Laundering Strategy.

Any service that receives money from an external person or body is potentially vulnerable to a money laundering operation. The need for vigilance is vital and if there is any suspicion concerning the appropriateness of the transaction then advice must be sought. Officers should seek the advice from management, Internal Audit or the Corporate Fraud Team. CCR's Money Laundering Reporting Officer (MLRO) is the Director of Legal & Governance.

Appendix C: Types of Fraud Risks

Fraud risk examples may include:

Types of Fraud Risk	Summary
Cyber Fraud	The misuse of technology to take advantage of any perceived vulnerability. This could include ransomware/malware attacks, hacking or inappropriate use of CCR systems and data.
Procurement Fraud	These are activities including price-fixing, bid-rigging and cover pricing. Bribery and corruption internal risks
Internal Fraud by Officers and Members	Officers or Members may abuse their position for private gain or misuse CCR assets for personal gain.
Cash Handling	Theft or false accounting occurs with officers responsible for handling cash (and other income) security and banking.
Organised Crime/ Money Laundering	CCR systems potentially used to launder money.
Insurance Fraud	Bogus claims are made.
Payment to suppliers (including payment by Purchasing Cards)	Misuse of CCR payments systems or inappropriate bank mandate risks.
Employment / Payroll	Inappropriate pay claims or 'ghost employees'.
Grants	Risk of bogus companies or individuals submitting inappropriate claims.
Recruitment	Failure to disclose or provide appropriate information relevant to the post.

Cardiff Capital Region Fraud Risk Action Plan

REF	ACTION REQUIRED	TARGET TIMESCALE	COMMENTS (where applicable)	RESPONSIBLE OFFICER/S
Support Arrangements				
1	Continual review of Service Level Agreement with RCT in respect of Specialist Counter-Fraud Support Arrangements	2024/25 Q4	Continual review will be important to ensure that the arrangements are complete, up to date and continue to fully meet the CJC's requirements	Director of Resources / Head of Finance
Participation in Networks & Information Reviews				
2	CJC to explore benefits of subscribing to the National Anti-Fraud Network (NAFN)	2025/26 Q1	Membership of the NAFN will provide the CJC with a link to a national fraud forum, receipt of regular industry alerts, as well as a copy of its Annual Report, including details of its membership, which will facilitate further networking opportunities to share best practice	Director of Resources / Head of Finance
Training and Awareness Raising				
3	All CJC officers to complete Fraud awareness training – promote and maintain mandatory eLearning training module across the CJC (officers)	2025/26 Q1	RCT has made eLearning training module (Cyber Security) available to all CJC officers	Director of Resources / Head of Finance

4	Training/communication sessions – CJC to participate in International Fraud Awareness Week in November of each year, in conjunction with the CJC's Communications Team	2025/26 Q3	To promote a counter-fraud culture and awareness at every level of the CJC	Head of Communications in conjunction with Head of Finance
Data Analytics & Proactive Fraud Reviews				
5	CJC to sign-up to the National Fraud Initiative (NFI)	2024/25 Q4	The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud	Director of Resources / Head of Finance
6	Internal Audit Plan and Review	Ongoing	The Internal Audit Plan is informed by CIPFA intelligence of local authority fraud risks and wider organisation risks and information. Internal Audit team actively reviews the effectiveness of controls in place to prevent and detect fraud, as part of their ongoing programme of work	Head of Internal / Audit Manager