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 (including Anti-Money Laundering Policy)
Report of	Strategic Director of Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	28 July 2025
Implementation Date	Immediate
Affected Council Areas	All
Keywords / Index	Finance; Counter-Fraud; Bribery; Corruption, Anti-Mony Laundering

Report Summary

1. The report below provides details of the South East Wales Corporate Joint Committee's (CJC) updated Counter-Fraud, Bribery & Corruption Strategy, which was previously considered by the committee at its meeting of the 27 January 2025. The updated strategy now includes details in relation to the CJC's Anti-Money Laundering Policy.

Recommendations

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

   (1) Note that the updated Counter-Fraud, Bribery & Corruption (including Anti-Money Laundering Policy) was reviewed by the Governance & Audit Sub-Committee at its meeting of the 27 June 2025 and no amendments were proposed;

   (2) Consider and approve the updated Counter-Fraud, Bribery & Corruption Strategy (including Anti-Money Laundering Policy) attached at Appendix A;

(3) Note the progress against the Fraud Risk Action Plan attached at Appendix B, updates against which, will continue to be provided to the Corporate Joint Committee at appropriate intervals throughout the year;

(4) That the Chair and Chief Executive be authorised to formally sign the Counter-Fraud, Bribery & Corruption Strategy (including Anti-Money Laundering Policy) on behalf of the CJC.

Reasons for Recommendations and Options Considered

4. The Corporate Joint Committee (committee) approved its Counter-Fraud, Bribery & Corruption Strategy, at its meeting of the 27 January 2025. The committee was advised that work was ongoing in relation to the CJC's Anti-Money Laundering Policy and an updated strategy incorporating this policy would be brought back for consideration at a later date.

5. This report seeks to deal with those outstanding matters, noting that a draft of the Counter-Fraud, Bribery & Corruption (including Anti-Money Laundering Policy) was considered by the Governance & Audit Sub-Committee at its meeting of the 27 June 2025. Whilst no substantive amendments were provided, the sub-committee requested that an annual report be brought back to them which set out the activity undertaken in this area, along with details of key controls were operating.

6. The CJC's updated Counter-Fraud, Bribery & Corruption Strategy (including Anti-Money Laundering Policy) is attached at Appendix A. 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 six sections:

- Section 1: Introduction & Purpose;
- Section 2: Governance Arrangements;
- Section 3: Resources in place to Counter-Fraud, Bribery & Corruption Risks;
- **Section 4: Anti-Money Laundering**
- Section 5: Reporting Concerns;
- Section 6: Conclusions.

7. A key feature of the updated strategy is the inclusion of an additional section in relation to Anti-Money Laundering. Furthermore, Appendix 1 of the strategy sets out the CJC's "Anti-Money Laundering Policy & Associated Guidance. The Policy Statement along with the key issues (and supporting appendices) included within the guidance are detailed below:

Policy Statement

"The South Wales Corporate Joint Committee (CJC) will do all it can to prevent the organisation and its staff being exposed to money laundering, to identify the potential areas where money laundering may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.

Key Points to Note:

- The CJC is committed to the prevention, detection and reporting of money laundering;
- All employees must be vigilant for the signs of money laundering;
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO);
- No payment to the CJC will be accepted in cash if it exceeds £5,000;
- Where the CJC is carrying out certain regulated activities by way of business then the customer due diligence procedure must be followed as set out in the Guidance;
- The Money Laundering Regulations are detailed and complex - if you are in any doubt about the application of this Policy you should contact the MLRO;
- Key Appendices included in the Guidance are:
    - Appendix a - Report to Money Laundering Reporting Officer
    - Appendix b – Regulated Activities requiring Customer Due
    - Diligence
    - Appendix c – Summary Checklist for Employees

8. The CJC has nominated Rebecca Westwood, Finance Business Partner as its Money Laundering Reporting Officer (MLRO).

9. At its 27 January 2025 meeting, the committee were advised that the CJC had completed its 2024/25 risk assessment and developed its Fraud Risk Action Plan in response to the risks identified. The Fraud Risk Action Plan outlined 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. An updated Fraud Risk Action Plan is attached at Appendix B, which details progress against the agreed actions. This shows that the five actions due for completion at this time have all been completed. One action remains outstanding, which has a 'Target Due Date' of Quarter 3, 2025/26.

11. Regular updates on the progress against the Fraud Risk Action Plan will be brought back to the committee as part of its annual work programme.

Comments of the s.151 Officer

12. 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.'*

13. 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, including anti-money laundering.

14. The cost of deploying the resources outlined in the updated Counter-Fraud, Bribery & Corruption Strategy (including Anti-Money Laundering Policy) can be met from the CJCs existing revenue budget.

Comments of the Monitoring Officer

15. It is critically important that robust governance arrangements—including the Counter-Fraud, Bribery & Corruption Strategy, Anti-Money Laundering Policy, Financial and Contract Procedure Rules, Codes of Conduct, and Whistleblowing Policy—are in place to support compliance with key legislation. Such laws include *the Bribery Act 2010, Proceeds of Crime Act 2002, and Money Laundering Regulations 2017*. These arrangements help to safeguard public funds and protect the organisation against legal, reputational, and financial risks.

16. The Strategy reflects good practice as set out *in Fighting Fraud and Corruption Locally: A Strategy for the 2020s* and complements the CJC's corporate governance framework. The Governance and Audit Sub-Committee has a key role in ensuring the effectiveness of the CJC's fraud prevention and detection arrangements, and should:

- Receive at least annual reports on counter-fraud activity;
- Be informed about the allocation of resources and the coverage of fraud risks;

- Ensure executive and portfolio holders are aware of fraud risk management activities;
- Actively support and challenge the delivery of the Strategy;
- Promote proactive measures and staff engagement through training and awareness.

17. Embedding a strong counter-fraud culture throughout the organisation is vital, and regular assurance through internal audit and risk management processes should be maintained to support compliance and improvement.

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

1. Updated Counter-Fraud, Bribery & Corruption Strategy – Governance and Audit Sub-Committee Meeting of the 27 January 2025 – Item 07

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Meeting Date: 28 July 2025

Appendices

Appendix A – Draft Updated Counter-Fraud, Bribery & Corruption Strategy (including Anti-Money Laundering Policy)

Appendix B – Updated to the Fraud Risk Action Plan

Appendix A

South East Wales Corporate Joint Committee

Anti-Fraud, Bribery & Corruption Strategy

UPDATE: July 2025

CONTENTS

Contents		**Page**
Foreword		2-3
Section 1	Introduction and Purpose	4-6
Section 2	Governance Arrangements	7-8
Section 3	Resources in place to Counter Fraud, Bribery & Corruption Risks	9-11
Section 4	Anti-Money Laundering	11
Section 5	Reporting concerns	11-13
Section 6	Conclusion	13
APPENDIX 1	Anti-Money Laundering Policy & Associated Guidance (and Appendices a - c)	14-24
APPENDIX 2	Roles and Responsibilities	25-26
APPENDIX 3	Key Definitions	27-28
APPENDIX 4	Types of Local Authority 'Fraud Risks'	29-30

Forward

The South East Wales Corporate Joint Committee (CJC) has a 'zero-tolerance' culture to fraud, bribery and corruption.

We continue to have some tough challenges ahead, in particular the financial context, economic challenges and on-going cost of living pressures. Whilst we continue to make the Cardiff Capital Region (CCR) a better place to live, work and do business, in line with Corporate Plan well-being objectives, it is essential that we are able to protect our limited resources and assets from the risks associated with fraud, bribery and corruption.

The CJC 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 projects for the region.

The CJC 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 the Senior Executive Team 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.

The CJC's Senior Executive Team and wider Management Teams are expected to deal swiftly and firmly with those who attempt to defraud the CJC. The CJC 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 updated Anti-Fraud, Bribery & Corruption Strategy sets out the responsibilities and behaviours that are expected of us all. The CJC 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.

Councillor Mary Ann Brocklesby	Kellie Beirne
CJC Chair	Chief Executive

Anti-Fraud, Bribery & Corruption Strategy

Section 1: Introduction and Purpose

1.1 The South East Wales Corporate Joint Committee (CJC) is resolute in its determination to maintain its reputation as a public sector body that will not tolerate fraud, bribery, corruption or abuse of position for personal gain. In managing its responsibilities, the CJC is determined to protect itself against fraud, bribery and corruption both from within the organisation and from any external threats.

1.2 Responsibility for promoting an anti-fraud, bribery and corruption culture is the duty of all those involved in giving political direction, determining strategy and managing resources. The CJCl expects that Elected 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, sub-committees, boards and all employees. Where the CJC 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 The following appendices are provided to further inform the Strategy: Appendix 1 the CJC's Anti Money Laundering Policy and guidance; Appendix 2 provides a summary of all stakeholders along with their roles and responsibilities; Appendix 3 provides a list of key Definitions; and Appendix 4 sets out a list of typical Public Sector Fraud Risk exposure.

1.5 This Strategy is based upon the key principles of the Local Government Counter Fraud & Corruption Strategy 2016-2019 and 'Fighting Fraud and Corruption Locally - A strategy for the 2020s'. It includes an additional two areas of activity that have emerged, these being 'govern' and 'protect'. Figure 1 sets out the Local Government Counter Fraud high level principles.

Figure 1: The 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.

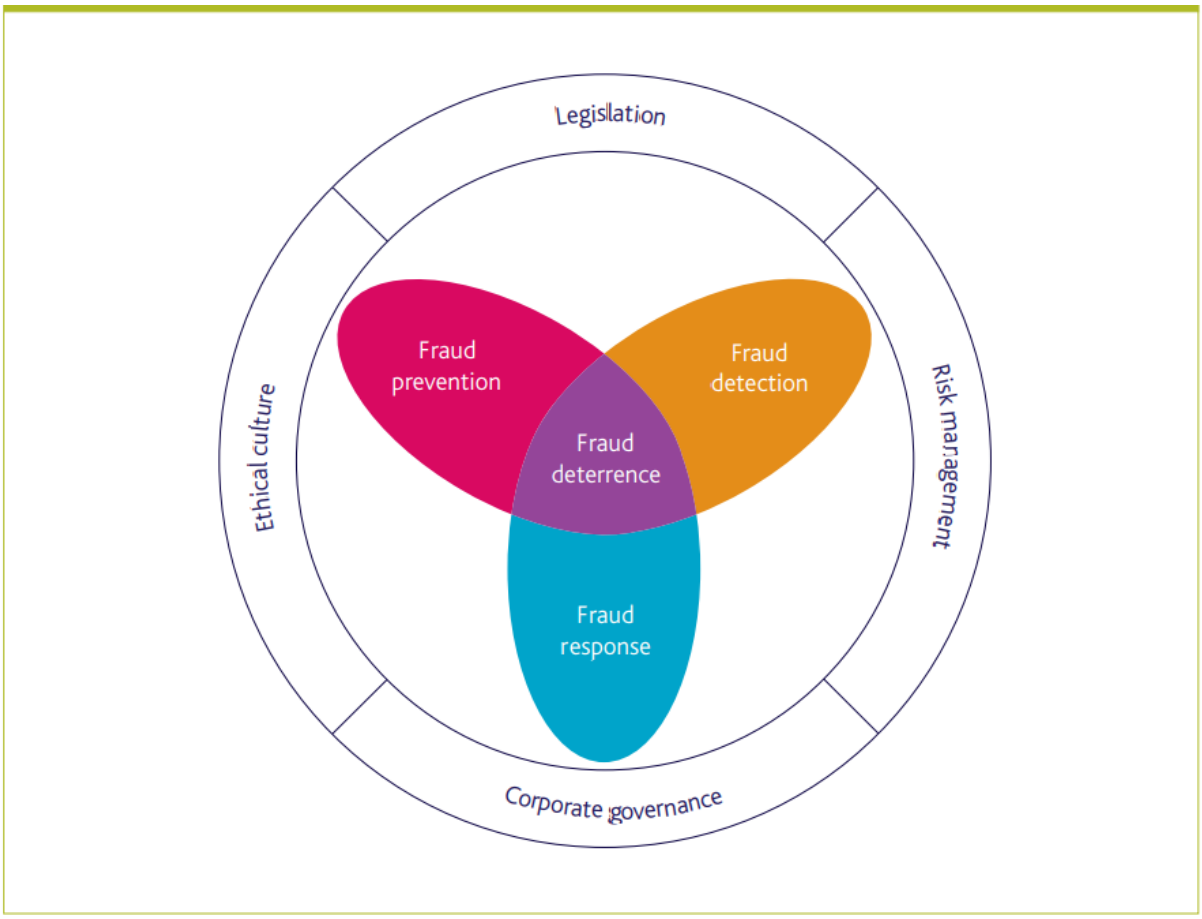
Prevent
Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

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. Local authorities have achieved success by following this approach; however, they need to respond to an increasing threat and protect themselves and the community.

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 a public

sector body 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 Strategic Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the CJC's financial affairs. In addition, PART 3 (Financial Management and Internal Control) of the Accounts and 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 The CJC'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 the CJC's responsibilities associated with the prevention and detection of fraud, bribery and corruption.

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

- An Anti-Fraud, Bribery & Corruption Strategy and Procedure that emphasises the importance of probity to all concerned;
- Elected Member support;
- Codes of conduct for Elected Members and Employees;
- Whistle blowing Strategy, and Complaints Procedure / 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;
- 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;
- A system of identification for potentially fraudulent liability claims against the CJC;
- Sharing of information between the CJC and other approved external organisations; and
- Stringent controls in respect of gifts and hospitality.

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 the CJC. The CJC supports the following principles:

- Publicising the fact that the CJC is firmly 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 the CJC 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.

Training

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

2.7 The CJC 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. The CJC 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 1998 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 the CJC's trust and confidence in the employee.

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

3.1 The Local Government Counter Fraud and Corruption Strategy requires the CJC 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.

The CJC has in place an agreement with Rhondda Cynon Taf County Borough Council to make use of their dedicated Corporate Fraud Team.

Fraud Team - Access to Information

3.2 In order to ensure robust arrangements are in place to investigate allegations of irregularity, the CJC ensures that:

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

3.3 The work of the Fraud team covers all areas of counter fraud work and can be spilt into 3 distinct categories:

1. Risk Assessment

3.4 Undertake and continuously review and evolve the CJC's Fraud, Bribery and Corruption a high-level risk assessment.

3.5 Fraud, Bribery and 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.

3.6 In order to deliver a robust approach to preventing and detecting potential risk exposure, the CJC is required to assess and understand the scope of potential fraud, corruption & bribery risks across the CJC. 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'.

3.7 This will be reported to the CJC's Governance and Audit Committee and will reflect the required resources mapped to risks associated with potential fraud, bribery and corruption.

3.8 It is the CJC's intention that fraud resources are assessed proportionately to the risks the CJC faces and are aligned to the outcomes of the risk assessment which are mitigated via the 'Fraud Risk Action Plan'.

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

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

3.10 The Fraud Risk Work Programme includes the high-level outcome of the risk assessment for all services.

3.11 The Fraud Risk Work Programme will record where the resources of the Corporate Fraud Team are to be deployed in order to work with relevant Directorates with the aim of reviewing arrangements and if appropriate, recommending preventative and detective controls.

3. Investigatory & Reporting Work

3.12 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 the CJC's insurers.

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

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

3.15 In consultation with the CJC's Communications Team, successful cases of proven fraud/bribery/corruption will be publicised where appropriate, to raise awareness and act as a deterrent.

Governance and Audit Committee & Senior Leadership Team - Reporting Arrangements

3.16 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.

3.17 An annual report of all activity undertaken by the Corporate Fraud Team (incorporating risk assessment work, advisory work and investigatory work) will be reported to the CJC's Governance and Audit Sub-Committee.

Section 4: Anti-Money Laundering

4.1 The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 came into force on 10th January 2020 and sets out the amendments to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

4.2 The Regulations apply to "relevant persons" acting in the course of business carried out by them in the UK. Relevant persons are now obliged to adopt a more risk-based approach towards anti-money laundering, in particular in how they conduct due diligence.

4.3 Not all of the CJC's business is relevant for the purposes of the legislation; however, the safest way to ensure compliance with the law is to apply them to all areas of work. All members of staff are therefore required to comply with the reporting procedure set out in the CJC's 'Anti-Money Laundering Policy' included as Appendix 1.

Section 5: Reporting Concerns

5.1 Despite the best efforts of the CJC 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.

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

<u>Concerns will be treated in confidence, properly investigated and dealt with fairly</u>

5.3 The CJV encourages concerns in respect of potential irregularity to be raised in writing via the "Report it" section of the CJC'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:

South East Wales Corporate Joint Committee
Room 6.17
Sbarc
Maindy Road
Cardiff
CF24 4HQ

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

5.5 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.

5.6 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.

5.7 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.

5.8 Following receipt of information a co-ordinated 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 the CJC's interests.

5.9 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 Council's 'Cyber Security' team.

5.10 Where financial impropriety is discovered, the CJC'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 Strategic Director of Resources. Potential criminal proceedings will not inhibit action under the CJC's disciplinary procedure (if the incident relates to an employee).

Whistleblowing Policy & Procedure

5.11 The CJC's Whistleblowing Policy & Procedure 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 & Procedure, 'workers' refers to all those that deliver services on behalf of the CJC and also those organisations that provide services to the CJC i.e. employees, contractors and suppliers; and

- Workers are encouraged to report any concerns via the CJC's Whistleblowing arrangements; however they are also able to report concerns via the CJC's Anti-Fraud, Bribery & Corruption arrangements.

5.12 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 6: Conclusion

6.1 The CJC 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.

6.2 To this end, the CJC 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.

6.3 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 External Auditor (Auditor General for Wales). The Auditor General can be contacted on telephone number 02920 320522:
- Relevant professional bodies or regulatory organisations e.g. Inland Revenue or Health & Safety Executive; and
- The Police via Action Fraud (0300 123 2040). https://www.actionfraud.police.uk/

Appendix 1

South East Wales Corporate Joint Committee

Anti-Money Laundering Policy & Associated Guidance

Contents	**Page**
1. Policy Statement	15
2. Introduction	15
3. Scope of the Policy	15-16
4. What is Money Laundering?	16-17
5. What are the obligations on the CJC?	17
6. The Money Laundering Reporting Officer (MLRO)	17-18
7. Prevention Procedure - Cash Payments	18
8. Disclosure Procedure – Reporting by Employees	18
9. Disclosure Procedure – Evaluation and Reporting by the MLRO	18
10. Customer Due Diligence	19
12. Guidance and Training	19
13. Conclusion	20
Appendix a - Report to Money Laundering Reporting Officer **Appendix b** – Regulated Activities requiring Customer Due Diligence **Appendix c** – Summary Checklist for Employees	21 22-23 24

Anti-Fraud, Bribery & Corruption Strategy

1. Policy Statement

The South Wales Corporate Joint Committee (CJC) will do all it can to prevent the organisation and its staff being exposed to money laundering, to identify the potential areas where money laundering may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.

Key Issues

- The CJC is committed to the prevention, detection and reporting of money laundering.
- All employees must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO).
- No payment to the CJC will be accepted in cash if it exceeds **£5,000**.
- Where the CJC is carrying out certain regulated activities by way of business then the customer due diligence procedure must be followed (this is expanded upon in Appendix 3).
- The Money Laundering Regulations are detailed and complex - if you are in any doubt about the application of this Policy you should contact the MLRO.

2. Introduction

2.1 The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the CJC and its employees with respect to suspected money laundering. The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 came into force on 10th January 2020.

2.2 The relevant legislation and regulations relating to money laundering obligations are included within:

• Terrorism Act 2000;
• Anti-terrorism, Crime and Security Act 2001;
• Proceeds of Crime Act 2002;
• The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
• Criminal Finances Act 2017; and
• The Money Laundering and Terrorist Financing (amendment) Regulations 2019.

3. Scope of the Policy

3.1 This Policy applies to all employees of the CJC and aims to maintain the high standards of conduct which currently exist within the CJC by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example, the reporting of suspicions of money laundering activity) to enable the CJC to comply with its legal obligations.

3.2 The Anti-Money Laundering Policy forms part of the CJC's Anti-Fraud, Bribery and Corruption Strategy and sits alongside other relevant policies i.e. Whistle Blowing Policy, Code of Conduct for Employees and Treasury Management Strategy.

3.3 Failure by a member of staff to comply with the procedure set out in this Policy may lead to disciplinary action being taken in accordance with the CJC's Disciplinary Procedures and Rules.

4. What is Money Laundering?

4.1 Money laundering may be defined as "the process by which the proceeds of crime and the true ownership of those proceeds are changed so that the proceeds appear to come from a legitimate source".

4.2 The process most commonly in use is to pass illegally acquired cash through financial systems so that it becomes 'legitimate'. There are three stages to Money Laundering:

Placement - the initial stage where illegal funds are introduced into a legitimate financial system
Layering – an action to make the money hard to detect and move it away from the initial stage of Placement.
Integration – the final stage of the laundering where the money is integrated back into the financial system as genuine funds.

4.3 Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following acts constitute the primary offences of money laundering:

- **Concealing**, disguising, converting, transferring criminal property or removing it from the UK (section 327, Proceeds of Crime Act 2002);
- entering into or becoming concerned in an **Arrangement** which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328, Proceeds of Crime Act 2002); and
- **Acquiring**, using or possessing criminal property (section 329, Proceeds of Crime Act 2002).

4.4 There are additional Proceeds of Crime Act 2002 (POCA) offences in respect of money laundering:

- **Failure to disclose** any of the three primary offences (see 4.3) (Section 332 Proceeds of Crime Act 2002 (Max: 5 years custody));
- **Tipping off** where someone informs a person or persons who are involved in or who are suspected of being involved in money laundering in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation. (Section 333 Proceeds of Crime Act 2002 (Maximum: 2 years custody)); and
- **Offences of prejudicing investigation** - If they make a disclosure which is likely to prejudice the investigation, or falsify, conceal, destroy or otherwise dispose of

documents which are relevant to the investigation (Section 342 Proceeds of Crime Act 2002 (Maximum: 2 years custody)).

4.5 Any member of staff could potentially be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. **This Policy sets out how any concerns should be raised.**

4.6 Whilst the risk to the CJC of contravening the legislation is low, it is important that employees are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of the legislation. **The key requirement on employees is to promptly report any suspected money laundering activity to the nominated Money Laundering Reporting Officer (MLRO).**

5. What are the obligations on the CJC?

5.1 As an organisation conducting 'relevant business' the CJV must:

- appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity and suspected activity;
- establish internal procedures to help forestall and prevent money laundering;
- make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it;
- make internal enquiries and make reports where necessary to the UK Financial Intelligence Unit (UKFIU);
- carry out Customer Due Diligence;
- provide targeted and proportionate training to those members of staff most likely to encounter money laundering; and
- maintain record keeping procedures.

5.2 Not all of the CJC's business is "relevant" for the purposes of the legislation. It is mainly the income collection, treasury management or company and property transactions. However, the safest way to ensure compliance with the law is to apply this Policy to all areas of activity undertaken by the CJC; therefore all employees are required to comply with the disclosure procedure (reporting by employees) set out in Section 7.

6. The Money Laundering Reporting Officer (MLRO)

6.1 The officer nominated to be the Money Laundering Reporting Officer and to receive disclosures about suspected money laundering activity within the CJC is. They can be contacted as follows:

Rebecca Westwood – Finance Business Partner
South East Wales Corporate Joint Committee
Room 6.17
Sbarc
Maindy Road
Cardiff

CF24 4HQ
E-Mail: Rebecca.Westwood@cardiffcapitalregion.gov.uk

Note: In the absence of the MLRO, please contact Hrjinder Singh - Head of Finance.

E-mail: Hrjinder.singh@cardiffcapitalregion.gov.uk

7. Prevention Procedure - Cash Payments

7.1 The CJC will not accept payment in cash for any occasional transaction in excess of **£5,000**, whether the transaction is carried out in a single operation or in several operations which appear to be linked.

7.2 Cash is defined as notes, coins or travellers cheques in any currency.

8. Disclosure Procedure – Reporting by Employees

8.1 Any employee who suspects money laundering activity must report their suspicion **IMMEDIATELY** to the MLRO by using the form attached as **Appendix a** to this Policy. The employee may discuss their suspicion with the MLRO first if preferred or where the employee considers it a matter of urgency.

8.2 The employee must follow any subsequent directions of the MLRO. They must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.

8.3 After reporting to the MLRO the employee **MUST NOT**:

- voice your suspicion to the suspected person or any third party;
- disclose to anyone the fact that you have made the report;
- make any further enquiries into the matter yourself;
- make any reference on the file of the report; and
- do anything further on the matter unless you receive specific, written consent from the MLRO to proceed.

9. Disclosure Procedure – Evaluation and Reporting by the MLRO

9.1 The MLRO must promptly evaluate any Disclosure Report to determine whether it should be reported to the UK Financial Intelligence Unit (UKFIU) positioned within the National Crime Agency (NCA).

9.2 The MLRO must, in discussion with the Strategic Director of Resources (Section 151 Officer), promptly report the matter using the standard Suspicious Activity Report (SAR) report portal.

9.3 The MLRO will commit a criminal offence if he knows or suspects or has reasonable grounds to do so through a disclosure being made to him that another person is engaged in money laundering and they do not disclose this as soon as practicable.

10. Customer Due Diligence

10.1 Where the CJC is carrying out certain "regulated activities" then extra care needs to be taken to check the identity of the customer – this is known as carrying out customer due diligence and is in line with Regulation 28 Customer due diligence measures - The Money Laundering and Terrorist Financing (Amendment) Regulations 2019, Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

10.2 "Regulated activity" is defined as the provision 'by way of business' of:

- advice about tax affairs
- accounting services
- treasury management
- investment or other financial services
- audit services
- legal services
- estate agency
- services involving the formation, operation or arrangement of a company or trust
- dealing in goods wherever a transaction involves a cash payment of 15,000 Euros (or equivalent pounds stringing) or more

In the course of delivering its day to day services the CJC will not normally carry out any "regulated activity by way of business". It does not for example normally provide advice about tax affairs, or provide accounting, audit or legal services, or provide investment or other financial services, to third parties in return for professional fees. The CJC also refuses cash payments in excess of £5,000.

10.3 The Regulations regarding customer due diligence are detailed and complex, **but they are likely to need to be applied only in exceptional circumstances.** However, the Council and its employees need to remain vigilant. If there is any doubt about whether customer due diligence needs to be carried out then the MLRO should be contacted. Further advice and guidance in respect of customer due diligence can be found at **Appendix b**.

11. Guidance and Training

11.1 In support of this Policy and its procedures the CJC will:

- make all staff aware of the requirements and obligations placed on the CJC and on themselves as individuals by the law relating to money laundering; and
- provide targeted (but proportionate) training to those members of staff most likely to encounter money laundering in how to recognise and deal with transactions and other activities which may be related to money laundering.

12. Conclusion

12.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. **This Policy has been written to enable the CJC to meet the legal requirements in a way which is proportionate to the perceived low risk to the CJC of contravening the legislation.**

13. Policy Review

13.1 This Policy will be reviewed periodically to ensure its continuing effectiveness and to meet any legislative or other changing requirements for the CJC.

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Appendix a

SOUTH EAST WALES CORPORATE JOINT COMMITTEE
Report to the Money Laundering Reporting Officer
Re: Suspected Money Laundering Activity

To: Rebecca Westwood – Finance Business Partner
From:

Service/Department:
Employee Contact Details: (insert e-mail address, telephone number)

Details of suspected offence:

Name(s) and address(es) of person(s) involved ((if a company or a public body please include details of nature of business) **Nature, value and timing of activity involved** (include full details of what, when, where, how). **Nature of suspicions regarding such activity** (provide a summary of reasons for suspecting money laundering activity):

Has any investigation been undertaken (as far as you are aware)? ***Yes/No*** (If yes, please include details below):

Have you discussed your suspicions with anyone else? ***Yes/No***
(If yes, please specify below explaining why such discussion was necessary).

Please set out below any other information you feel is relevant.

Signed: (sending the form as an electronic attachment will not require a signature)

Dated: (ditto)

NB. Please do not discuss the content of this report with anyone, including those you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which if proven, carries a maximum penalty of 5 years imprisonment.

Appendix b

Regulated Activities requiring 'Customer Due Diligence'

In the **unlikely** event that the CJC were to provide or seek to provide regulated activities by way of business then customer due diligence must be carried out.

1. The Regulations regarding customer due diligence are detailed and complex but there are some simple questions that will help decide if it is necessary:

   - Is the service a regulated activity? (see list in 10.2 of the Policy)
   - Is the CJC charging for the service? (i.e. is it 'by way of business')
   - Is the service being provided to a customer? (other than a UK public authority)

   If the answer to **any** of these questions is **"no"** then there is no need to carry out customer due diligence.

   If the answer to **all** of these questions is **"yes"** then customer due diligence must be carried out before any business is undertaken for that customer.

   If there is any doubt about whether customer due diligence needs to be carried out then the MLRO should be contacted.

2. Where the need to carry out customer due diligence is established then evidence of identity must be sought. For example, this may be achieved by:

   - checking with the customer's website to confirm their business address;
   - conducting an on-line search via Companies House to confirm the nature and business of the customer and to confirm the identities of the Directors; and
   - seeking evidence from the key contact of their personal identity (for example, their passport) and their position within their organisation.

3. The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering based on knowledge of the customer and a regular scrutiny of the transactions involved.

4. If at any time any employee suspects that a customer for whom the CJC is currently or is planning to carry out a regulated activity is carrying out money laundering or has lied about their identity then the employee must report this to the MLRO.

5. In certain circumstances enhanced customer due diligence must be carried out. For example, where:

   - the customer has not been physically present for identification.

- the customer is a politically exposed person (this is an individual who at any time in the preceding year has been entrusted with a prominent public function by a state outside of the UK, or by an EU institution, or by an international body; or it is an immediate family member of that individual; or it is a known close associate of that individual).
- there is a beneficial owner who is not the customer (a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust).

6. Enhanced customer due diligence could include any additional documentation, data or information that will confirm the identity of the customer and/or the source of the funds to be used in the business relationship or transaction. If an employee believes that enhanced customer due diligence is required then they must consult the MLRO before they carry it out.

7. Customer due diligence records and the details of the relevant transaction(s) for that customer must be retained for at least 5 years after the end of the business relationship.

8. A copy of every customer due diligence record must be sent to the MLRO to meet the requirements of the Regulations and in case of inspection by the relevant supervising body.

Appendix c

SUMMARY CHECKLIST FOR EMPLOYEES

What is this anti-money laundering policy about?	It's about preventing criminals from using the CJC as a way of converting the illegal proceeds of crime into something that looks legal and legitimate. Basically the criminals want to disguise the original (illegal) source of the proceeds so that they can enjoy the future benefits without arousing suspicion.
How would they do that?	Generally they would seek to convert their dirty (stolen) cash into clean (legal) money by passing it through a legitimate source – hence the term laundering. So they might buy something expensive with their dirty cash or make an investment with it and subsequently sell it to get clean money to make it look legitimate.
Give me an example that might apply to the CJC	They may try to acquire a CJC Asset (for example, a building) and want to pay for it in cash and then sell it on later. Or they may want to use the dirty cash to make a large payment to us (such as a high value rent or business rates).
How do we stop them?	We won't accept a cash payment if it exceeds £5,000. We have identified particular risk areas in the CJC and will target our efforts at raising awareness with the staff who work there.
Will this affect our normal cash customers?	There is no change for them and they can carry on paying in cash as they always have. The CJC doesn't get too much money paid in cash in any event but this Policy isn't about the relatively low values received occasionally, it's about the high value, one-off payments or a series of linked and / or "unusual" cash transactions. The CJC needs to look out for any potentially large (and possibly rogue) cash transaction.
So below £5,000 is OK?	Generally yes, but if something seems unusual or suspicious, you should report it. For example, you should still be diligent in looking out for possible counterfeit bank notes.
Is the CJC likely to be a target for money laundering?	Its considered low risk but we still need to manage that risk. It's low risk because due to mitigation control i.e. don't accept cash payments above £5,000, we don't receive large individual amounts in cash, we don't accept cash payments when we sell land and property and we manage our loans and investments in line with a national Code of Practice and set limits on how much and with whom we invest.
So nothing for me to do then?	Everyone has a role to play as we are all guardians of public money. So please read the Policy, be vigilant, report anything suspicious and be aware that the legislation not only puts a corporate responsibility on the CJC but also a personal responsibility onto every employee. So, if you suspect that money laundering is taking place, you should report it as you could face a disciplinary or even criminal investigation if you fail to do so.
If I suspect anything, who do I report it to?	The CJC has a designated Money Laundering Reporting Officer (MLRO). Rebecca Westwood – Finance Business Partner. E-mail address: **Rebecca.Westwood@cardiffcapitalregion.gov.uk.** You should report any suspicions using the form available or contact the Corporate Fraud Team if you need any further advice / guidance about money laundering.

Roles and Responsibilities

APPENDIX 2

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 the CJC's arrangements for countering fraud, bribery, corruption and cyber risk.
Chair & Portfolio Members	Responsible for setting the tone and culture of the organisation in respect of a zero tolerance culture.
Strategic Director of Resources	To ensure the CJC has adopted an appropriate anti-fraud strategy, there is an effective internal control environment in place and there is an adequately resourced and effective Corporate Fraud Team and Internal Audit Service to deliver assurance. To ensure appropriate arrangements in respect of cyber risk mitigation and assurance.
Monitoring Officer and Strategic Director of Legal & Governance	To advise Councillors and Officers on ethical issues, standards and powers to ensure that the CJC operates within the law and statutory Codes of Practice. The Strategic 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	**Statement of Purpose** The purpose of the Governance and Audit Sub-Committee is to provide independent assurance to the Members of the CJC of the adequacy of the risk management framework and the internal control environment. It provides independent review of the CJC's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place Specific responsibilities in the Terms of Reference for the Governance and Audit Sub-Committee states: (a) review and scrutinise the CJC's financial affairs; (c) review and assess the risk management, internal control, performance management and corporate governance arrangements of the CJC;
Standards Committee	Promotes and maintains high standards of Member conduct and assists Members in observing the Code of Conduct. **Terms of Reference** (relevant section) (1) Promoting and maintaining high standards of conduct by the CJC's members and co-opted members.
Elected Members	To comply with the Members Code of Conduct and related CJC 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 the CJC'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 the CJC's activities.

External Audit	Statutory duty to ensure that the CJC 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 the CJC's Anti-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 the 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. Their role in the NFI exercise is to provide data for matching and to analyse the outputs from the matching exercise and take appropriate action.
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 workers of the CJC to prevent and detect fraud, bribery and corruption.
Appointed Suppliers & Contractors	Responsible for adopting the tone and culture of the CJC 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 3

Key Definitions

What is fraud?

The **Fraud Act 2006** details the legal definitions of fraud and is used for the criminal prosecution of fraud offences. The CJC 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 the CJC, the residents of the 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 the CJC 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 CJC 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 e-mails. Detailed guidance is set out in the CJC's Anti-Money Laundering Policy.

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. The CJC's Money Laundering Reporting Officer (MLRO) is the Finance Business Partner, Rebecca Westwood.

APPENDIX 4

Types of Local Authority 'Fraud' Risks

National research suggests that Local Authority fraud risk examples may include:

Types of Fraud Risk	Summary
Housing Benefit & Council Tax Reduction	A claimant makes a claim based on information known to be inaccurate or fails to inform the Council about a change in circumstances that would reduce the award
Council Tax Single Person Discount (SPD) / Other Council Tax Discounts	A claimant claims a discount when more than one person actually lives in the household, falsely claims to be a student or claims a property is empty and unfurnished
Cyber Fraud	The misuse of technology to take advantage of any perceived vulnerability. This could include ransomware/malware attacks, hacking or inappropriate use of Council systems and data.
Direct Payments	A recipient falsely claims Direct Payments, e.g. by misrepresenting their care needs or failing to disclose receipt of other benefits.
Procurement Fraud	These are activities including price-fixing, bid-rigging and cover pricing. Risk includes potential internal bribery and corruption.
National Non-Domestic Rates (NNDR)	A business makes a claim for rate relief based on false information.
Internal Fraud by Officers and Members	Officers or Members may abuse their position for private gain or misuse council assets for personal gain.
Client Finances	Inappropriate management of vulnerable client finances.
Election Fraud	Voter registration fraud; impersonation (at polling stations); phishing and hacking, denial of service and ransomware (particularly at the time of an election).
Cash Handling	Theft or false accounting occurs with officers responsible for handling cash (and other income) security and banking.
Organised Crime/ Money Laundering	Council systems potentially used to launder money.
Insurance Fraud	Bogus claims are made with serial claimants across authorities.
Blue Badges	Misuse of the scheme benefits by the badge holder or another.
Payment to suppliers (including payment by Purchasing Cards)	Misuse of Council payments systems or inappropriate bank mandate risks.
Employment / Payroll	Inappropriate pay claims or 'ghost employees'/ career polygamy.
Grants	Risk of bogus companies or individuals submitting inappropriate claims. Examples could include financial support scheme paid by the Council on behalf of others.
Licensing	License applications are not legitimate or appropriate.

Recruitment	Failure to disclose or provide appropriate information relevant to the post.

Cyd-bwyllgor Corfforaethol De-Dwyrain Cymru | South East Wales Corporate Joint Committee

Appendix B

South East Wales Corporate Joint Committee - Fraud Risk Action Plan

REF	ACTION REQUIRED / RECOMMENDATOIN	TARGET TIMESCALE	RESPONSIBLE OFFICER/S	COMMENTS / ACTION COMPLETED
1.	**Continual review of Service Level Agreement with RCT in respect of Specialist Counter-Fraud Support Arrangements.** Continual review will be important to ensure that the arrangements are complete, up to date and continue to fully meet the CJC's requirements	2024/25 Q4	Director of Resources / Head of Finance	10.04.2025 - COMPLETE: The 2025/26 Internal Audit SLA (which includes counter fraud support arrangements) has now been agreed and finalised. In addition, the 2025/26 Internal Audit Plan was considered and approved by the G&A Sub-Committee at its meeting of the 11 April 2025.
2.	**CJC to explore benefits of subscribing to the National Anti-Fraud Network (NAFN**). 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	2025/26 Q1	Director of Resources / Head of Finance	11.04.25 – COMPLETE: Cost/Benefit Analysis undertaken of joining NAFN determined that the Value for Money Case is low. This is due to NAFN updates and circulars primarily focusing on typical Local Authority services and the CJC having already subscribed to the NFI (see Action 5 below). This assessment will be kept under review.

REF	ACTION REQUIRED / RECOMMENDATOIN	TARGET TIMESCALE	RESPONSIBLE OFFICER/S	COMMENTS / ACTION COMPLETED
3.	**All CJC officers to complete Fraud awareness training – promote and maintain mandatory eLearning training module across the CJC (officers).** RCT has made eLearning training module (Cyber Security) available to all CJC officers	2025/26 Q1	Director of Resources / Head of Finance	10.04.2025 – COMPLETE: All officers (except 1) as at April 2025 had completed the Fraud Awareness e-training module. All new officers are required to complete the training as part of their Induction.
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.** To promote a counter-fraud culture and awareness at every level of the CJC	2025/26 Q3	Head of Communications in conjunction with Head of Finance	20.03.2025 – ONGOING: to be considered in-line with target date of Q3 2025/26.
5.	**CJC to sign-up to the National Fraud Initiative (NFI).** 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	2024/25 Q4	Director of Resources / Head of Finance	25.03.2025 – COMPLETE: The SEWCJC has been confirmed as a NFI member and the first data sets were uploaded to NFI in April 2025. The NFI exception reports were made available on the 17 April 2025, and these have been checked, verified and closed down.

REF	ACTION REQUIRED / RECOMMENDATOIN	TARGET TIMESCALE	RESPONSIBLE OFFICER/S	COMMENTS / ACTION COMPLETED
6.	**Internal Audit Plan and Review.** 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	Ongoing	Head of Internal / Audit Manager	10.04.2025 – COMPLETE: The 2025/26 Internal Audit SLA (which includes counter fraud support arrangements) has now been agreed and finalised. The 2025/26 Internal Audit Plan was considered by the G&A Sub-Committee at its meeting of the 11 April 2025.