CARDIFF COUNCIL
CYNGOR CAERDYDD

CABINET MEETING: 14 JUNE 2018

FRAUD, BRIBERY & CORRUPTION POLICY

**FINANCE, MODERNISATION AND PERFORMANCE
(COUNCILLOR CHRISTOPHER WEAVER)**

AGENDA ITEM: 8

Reason for this Report

1. To seek approval from Cabinet for the updated Fraud, Bribery & Corruption Policy, attached as Appendix A.

Background

2. The Council fully recognises its responsibility for good financial management, the prevention, and if necessary, the investigation, of fraud, bribery and corruption. The Council recognises that no organisation is immune to the possibility of fraud and that there is a need to remain vigilant and ensure that prevention is a high priority responsibility. The procedures and the culture of the Council are recognised as important in ensuring high standards in public life.

3. The Fraud, Bribery& Corruption Policy was approved in 2015 and good practice dictates that it is reviewed on a regular basis in order to remain fit for purpose. The policy makes clear that the Council will not tolerate fraud, bribery or corruption and will take all necessary steps to investigate concerns, recover losses and sanction offenders.

4. An effective policy will:

   - raise awareness;
   - encourage prevention;
   - promote detection;
   - facilitate reporting;
   - identify a clear pathway for investigation;
   - act as a deterrent against future fraud, bribery or corruption.

5. The Audit Committee considered the draft of the updated Fraud, Bribery & Corruption Policy on the 27 March 2018. Contained within the Audit Committee's terms of reference is the responsibility to monitor and review the Counter Fraud Strategy and the assessment of fraud risks and potential harm to the council from fraud and corruption.

Issues

6.   The Policy details how the Council will deal with its responsibilities in relation to fraud, bribery and corruption, whether it is attempted on the Council or from within it.

7.   It simplifies and clarifies the process to be followed and provides officers with procedures to follow, to ensure a consistent approach is adhered to at all times.

8.   The Council uses a number of methods to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and/or outside of the Council, including:-

- Having a zero tolerance approach to fraud, bribery and corruption;
- Publicising the Council's determination to prevent and detect fraud, bribery and corruption e.g. clauses in contracts, publications etc.;
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven e.g. the termination of contracts, dismissal, prosecution etc.;
- Taking action to recover losses e.g. through agreement, court action, penalties, insurance etc.;
- Having sound internal control systems, which allow for innovation, whilst limiting opportunities for fraud, bribery and corruption;
- Optimising the publicity opportunities associated with anti-fraud and corruption activity within the Council and where appropriate, publishing the results of any action taken, including prosecutions, in the media.

9.   The Council strives to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility lies with senior management to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption. The Council's Internal Audit Team supports senior management through an independent appraisal of the integrity of all internal control systems as well as the provision of specialist training in respect to fraud prevention and detection.

10.   Two key governance documents for the Council are the Corporate Risk Register (CRR) and the Senior Management Assurance Statement (SMAS). The CRR has contained within it the risk that fraud, financial impropriety or improper business practices increase as internal controls are weakened as resources are stretched. This risk is regularly monitored by tracking the activity undertaken by directorates as well as identifying future actions such as further embedding the awareness of fraud prevention. One of the nine areas covered in the SMAS is Fraud and Financial Impropriety where each directorate will consider the level of assurance it has in its controls across its span of control.

11.   The Policy sets out the ways that suspicions of fraud can be reported and that there is a collective responsibility across all managers, Members and employees to prevent and help detect fraud, bribery and corruption.

These actions will be underpinned by a visible communication campaign, which will ensure that awareness of this policy reaches across the Council.

12. Suspected fraud, bribery and corruption can be notified in a number of ways, but in all cases, it is important that employees and/or the public feel confident to report their concerns and are clear of the means by which they are able to do so.

13. The main changes made to the Policy have been to clarify responsibilities and the proper procedures to follow when undertaking an investigation.

Reason for Recommendations

14. A formal Policy is required to outline how the Council will encourage prevention, detection, identify a clear pathway for investigation and act as a deterrent against future fraud or corruption.

Financial Implications

15. The existence of a Fraud, Bribery & Corruption Policy is one of the tools available to promote effective financial stewardship and the importance of ensuring that the financial resources available to the Council are optimised.

Legal Implications

16. There are no direct legal implications arising from this report.

HR Implications

17. There are no direct human resource implications.

RECOMMENDATIONS

Cabinet is recommended to agree the Fraud, Bribery & Corruption Policy.

SENIOR RESPONSIBLE OFFICER	CHRISTINE SALTER CORPORATE DIRECTOR RESOURCES
	7 June 2018

The following appendix is attached:

Appendix A: Fraud, Bribery & Corruption Policy