

# **CITY OF CARDIFF COUNCIL CYNGOR DINAS CAERDYDD**

**AUDIT COMMITTEE: 23 MARCH 2015**

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## **FRAUD, BRIBERY & CORRUPTION POLICY**

### **REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 8.3**

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#### **Reason for Report**

1. The purpose of this report is to present the Fraud, Bribery & Corruption Policy for the Audit Committee to consider and comment.

#### **Background**

2. This policy, formerly named the “Anti Fraud, Bribery & Anti Corruption Policy” was last reviewed and updated in 2011.
3. Whilst the main thrust of the Policy has not changed significantly in recent years, Members will be aware from regular reports received from the Audit Manager that the Council does deal with a number of cases of suspected fraud and financial impropriety and that there has been an increase in the number and complexity of these in recent times. This has emphasized the importance of having a policy in place which is fully understood and implemented consistently across the Council.
4. In July 2014 the responsibility for investigating benefit related frauds transferred to the Department for Work and Pensions under the Single Fraud Investigation Service initiative, which impacted on the work undertaken within the Audit team. Members will be aware a resource has been retained to target non benefit related fraud.
5. There is a detailed review underway of the Council’s Disciplinary Policy and Procedure which has a direct impact on how suspected cases of fraud and financial impropriety investigations will be handled and thus it has been decided to present both of these to Cabinet at the same time, this is scheduled for May Cabinet.

#### **Issues**

6. The Policy (see Appendix A), sets out how the Council will prevent, detect and investigate any suspicions of fraud or financial impropriety both from within and referrals received from outside the Council, setting in place a framework to ensure a consistent approach. The opportunity has been taken to set out clearly the expectation of officers working within the Council and those who have dealings with the Council, in terms of our “zero tolerance” approach to this type of activity.

7. The Section 151 Officer, under her responsibility for overall financial stewardship, plays a key role through the work of the Investigation team, within Internal Audit. Under the Council's Financial Procedure Rules, Audit are required to be involved with investigations in all suspected cases of fraud, bribery and financial impropriety. The officers within Internal Audit are professionally trained in undertaking Investigations including PACE interviewing, surveillance etc.
8. The policy highlights where the Council is proactive in adopting prevention and detection techniques and sets out a detailed process for investigation of cases to ensure these are undertaken to professional standards and in a consistent manner.
9. The procedures do recognise the role of Senior Management in terms of their responsibility for financial control and the actions of their members of staff, but with the requirement that Internal Audit has to oversee and be content with how the investigation is undertaken and reported.
10. The main changes made have been to remove reference to the investigation / prosecution of benefit frauds as the responsibility to investigate benefit fraud transferred from the Council to the Department for Work and Pensions in July 2014 and to emphasize the zero tolerance approach given the increasing trend of referrals in times of austerity where it is even more important that all frauds are identified and acted upon as a priority.

#### **Reason for Recommendations**

11. To receive and comment upon the updated Policy, taking into account recent changes to the responsibilities for the investigation and sanctioning of benefit fraud.

#### **Legal Implications**

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

#### **Financial Implications**

13. There are no direct financial implications arising from this report.

#### **Recommendation**

14. To consider and comment on the policy update as considered appropriate.

**CHRISTINE SALTER  
CORPORATE DIRECTOR RESOURCES**

The following Appendix is attached:

**Appendix A – Fraud, Bribery & Corruption Policy**