



# Fraud, Bribery & Corruption Policy

Cardiff Council's approach to  
preventing and detecting  
fraud, bribery and corruption,

# FRAUD, BRIBERY AND CORRUPTION POLICY

## Introduction

1. The Council is one of the largest employers in Wales, delivering services to approximately 350,000 people, with assets, interests and annual transactions running into billions of pounds. This policy sets out the Council's position in relation to fraud, bribery and corruption, whether it is attempted on the Council or from within it.
2. The Council's reputation is underpinned by ethical behaviour, financial probity and honesty. Fraud, bribery, corruption or other dishonesty adversely affects the Council's reputation and puts its ability to achieve its policies and objectives at risk by diverting the Council's limited resources from the provision of services to the people of Cardiff.
3. In carrying out its functions and responsibilities, the Council seeks to promote a culture of openness and fairness and expects all those who work for and within the Council to adopt the highest standards of propriety and accountability.
4. Members and employees of the Council must comply with statutory codes of conduct – The Members' Code of Conduct and the Employees Code of Conduct, both documents forming part of the [Constitution](#) of the Council.
5. The Council fully recognises its responsibility for good financial management so that public money is safeguarded at all times and used appropriately, efficiently and effectively. The prevention, and if necessary, the investigation, of fraud, bribery and corruption is therefore seen as an important aspect of its duties, which it is committed to undertake. The procedures and the culture of the Council are recognised as important in ensuring high standards in public life.
6. The Council acknowledges that the vast majority of employees and those that work with it act with honesty and integrity at all times to safeguard the public resources they are responsible for. However, there are people who will not act in this way.

## Definitions – For the purposes of this policy:

7. **Fraud** is an unlawful act undertaken in order to make a gain for oneself or another, cause a loss or expose another to a risk of loss; often through false representation, failure to disclose information, or abuse of a position.
8. **Bribery** is the giving, offer or promise of an advantage to another person to induce or reward improper performance of a relevant function or activity **or** requesting, agreeing to receive or accepting an advantage, with the intention to improperly perform a relevant function or activity
9. **Corruption** is the abuse of entrusted power for private gain, involving the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
10. **Members** include, Elected, Independent and Co-opted Members.

## **Who this policy applies to**

11. This policy applies to everyone associated with the Council (employees, agency workers, temporary staff, Members, school governors, service users, contractors, partners and voluntary bodies). The expectation is that all will remain alert to the risk of fraud, bribery and corruption and raise any concerns. They can do this in the knowledge that such concerns will be properly investigated, without fear of victimisation, subsequent discrimination or disadvantage.
12. Members of the public may also have concerns, but not know how and when to raise them. The reporting section below, explains the process to follow.

## **Aims and scope of this policy**

13. This 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.
14. The Council is committed to an effective Policy designed to:
  - raise awareness;
  - encourage prevention;
  - promote detection;
  - facilitate reporting;
  - identify a clear pathway for investigation;
  - act as a deterrent against future fraud, bribery or corruption.
15. As part of the pre qualification questionnaire process for tendering / self declaration and in compliance with relevant regulations, the Council sets out grounds on which a bidding organisation must be deemed ineligible to tender for, or be awarded, a public contract. These grounds include conviction for fraud, bribery and corruption.
16. The Council has a Whistleblowing Policy which supports staff to report any serious concerns about malpractice within the Council and sets out a procedure for this. However, concerns relating to fraud, bribery and corruption will be investigated in accordance with this Fraud, Bribery and Corruption Policy. The Internal Audit, Investigation Team will liaise with the Director of Governance and Legal Services and Monitoring Officer in any cases where it appears that the Public Interest Disclosure Act 1998 (the legislation protecting 'whistleblowers') applies.

## **Recruitment, Training and Awareness**

17. It is important that appointments are made fully in compliance with recruitment policies and procedures and as far as possible, the previous record of candidates in terms of their professional qualifications, honesty, propriety and integrity are verified and written references must be obtained before employment offers are confirmed. Where appropriate, Disclosure and Barring Service checks will also be undertaken.
18. Training will be provided, as appropriate, to employees, in order to improve awareness of, and skills to combat, fraud, bribery and corruption.
19. Additional documentation and guidance is available on the Internal Audit, Investigation Team's public SharePoint [site](#).

## **Prevention**

20. 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.
21. There are a wide range of procedures in place to minimise the risk of fraud that constitute a major part of the Council's system of internal control, designed to ensure the Council conducts its business properly and effectively and completes its transactions fully, accurately and correctly.
22. The Council aims 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 who are expected 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.
23. Key documents in the prevention of fraud, bribery and corruption are the Council's [Financial Procedure Rules](#) and [Contract Standing Order & Procurement Rules](#), which must be adhered to at all, times. Employees are expected to abide by their professional Codes of Conduct and the [Employees Code of Conduct](#). Members are required to adhere to the [Member's Code of Conduct](#).
24. There is a requirement to disclose any pecuniary interests in contracts relating to the Council and not to offer, or accept, any fee or reward, other than their proper remuneration. Other Council policies and guidance must also be complied with, such as those relating to Hospitality, [Gifts and other Benefits received by officers Guidance on Hospitality, Gifts and other Benefits received by Members](#) and [Officers Personal Interests and Secondary Employment Policy](#).
25. Senior Managers have a responsibility to consider, on an annual basis, the adequacy of controls to prevent and promptly detect fraud, bribery and corruption within their Directorate and enter risks, as appropriate on their risk register.

## **Detection**

26. It is important that there are ways of detecting fraud when it happens. Most systems will have controls to measure the throughput of transactions and provide management reports for monitoring as a means of identifying suspected fraud.

27. The work of both Internal and External Audit is primarily to ensure controls are embedded into systems as a prevention measure. Management should also have inbuilt mechanisms to support early detection of anything untoward.
28. It is the responsibility of all managers, Members and employees to prevent and help detect fraud, bribery and corruption.
29. The Council participates in the National Fraud Initiative, an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. The Council will also exchange information and intelligence with other public bodies or agencies to help combat fraud, bribery and corruption when appropriate and lawful.
30. Fraud, bribery and corruption is often detected because employees and the public are alert to this activity. **Any person who suspects fraud or financial impropriety has a responsibility to report this, and if in doubt, should contact Internal Audit for advice.**

## **Reporting**

31. 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.
32. In the first instance concerns relating to fraud, bribery or corruption, should be brought to the attention of the Audit Manager via the Internal Audit, Investigation Team. Group Auditor (Investigations), Tel: (029) 2087 2284, alternatively, contact the Audit Manager, Tel: (029) 2087 2303.
33. The [Financial Procedure Rules \(Section 4\)](#) place a responsibility on Directors to immediately notify the Audit Manager whenever any matter arises which involves, or is thought to involve, a breach of security, theft, or irregularities concerning cash, stores or other property of the Council (including data), or any suspected irregularity in the exercise of the functions of the Council.
34. Members of the public wishing to report suspicions of a breach of security, theft, or irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council, should if possible refer to information available on the Council's Fraud web page: ([Your Council/Council Finance/Managing the Council's Finances/Fraud](#)), or alternatively contact the Investigation Team by:

**Email:** [fraud@cardiff.gov.uk](mailto:fraud@cardiff.gov.uk)

**Telephone:** 029 2087 2284

**Post:** Audit Manager, Internal Audit Section, Room 348, County Hall, Atlantic Wharf, Cardiff. CF10 4UW. (All mail to Internal Audit is delivered unopened.)

35. For further information in respect of identifying fraud, bribery and corruption, refer to the [Counter fraud toolkit](#).

## **Investigation**

36. Following notification of a potential case, the Internal Audit Investigation team will agree with the employing Directorate who will lead the investigation. In the event of a disagreement, the Director of Resources' decision shall be final.

37. The overall responsibility for investigating cases of suspected fraud, bribery, corruption or financial impropriety committed by employees rests with management of the employing Directorate; however, the Section 151 Officer has overall responsibility for financial stewardship throughout the Council and as such will seek assurance, through the Audit Manager, that a proper investigation is undertaken.
38. The [Fraud Response Plan](#) sets out how suspicions of fraud will be considered and investigated.

### **Collaboration with other Agencies and Bodies**

39. Given the potential risk to the Council, the nature and scope of fraud, bribery and corruption and the ease with which fraudsters can utilise technology to commit fraud across boundaries, the Council will share information and intelligence with others, including (but not limited to):
- Action Fraud
  - Cabinet Office / Wales Audit Office
  - HMRC
  - Home Office
  - Local Police / National Fraud Intelligence Bureau
  - National Anti Fraud Network
  - Other Local Authorities
  - UK Border Agency

### **Accountability**

40. The Corporate Director, Resources is responsible for the proper administration of the Council's financial affairs.
41. The Audit Committee's Terms of Reference include: reviewing the assessment of fraud risks and potential harm to the council from fraud and corruption and to monitor the Counter-fraud strategy, actions and resources.
42. A record of referrals and their outcomes will be maintained by the Internal Audit Investigation Team and reported at least annually to the Audit Committee and Section 151 Officer.
43. Failure to comply with this policy, or making an untrue allegation frivolously, maliciously or for personal gain will result in the Disciplinary Policy being invoked.
44. Responsibility for reviewing this policy, monitoring / overseeing, and reporting upon fraud, bribery, and corruption investigations to the Audit Committee and Section 151 Officer, rests with the Internal Audit, Investigation Team.

### **Confidentiality**

45. The Council will treat all information received confidentially and disclose it only on a 'need to know' basis or as required by law. Any processing of personal data will comply with data protection laws and principles.