

## **GOVERNANCE & AUDIT COMMITTEE: 28 November 2023**

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### **WASTE MANAGEMENT POST TRIAL UPDATE**

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

**AGENDA ITEM: 14**

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***Appendix A to this report is not for publication as it contains exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.***

#### **Reason for this Report**

1. The Terms of Reference of the Governance and Audit Committee include the following duties:
  - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
  - Monitor the Counter-fraud strategy, actions and resources.

#### **Background**

2. The following confidential briefing (Appendix A) provides details relating to a large-scale investigation relating to the Waste Management Service.
3. It follows information provided to the Committee after eight individuals were arrested in February 2018 as part of the criminal investigation by the Police.
4. During the active Police investigation, and subsequent trial, limited information could be shared on the alleged fraud. Accordingly, attention was given to providing assurance to the Committee on the Waste Management control environment via Senior Management updates, and reports on the targeted assurance work of the Internal Audit Team. The Committee also received a summary of the internal investigation outcomes.
5. Following trial, sentencing took place on 9 November 2023 at Swansea Crown Court, reporting restrictions were lifted, and the Chair of the Governance and Audit Committee was provided with the appended update. This update is now provided for the information of the wider Committee.

## **Issues**

6. Appendix A provides details of a serious fraud which saw council employees that no longer work for Cardiff Council, and an agency worker conspire with an external client for personal gain and to defraud the council. The Council alerted the police and assisted the investigation which led to five men being found guilty of offences under the Bribery Act and one found not guilty.
7. Details are provided of the:
  - Internal and police referrals, associated investigations, and outcomes.
  - Asset recovery proceedings being sought by the prosecution and the Council for the loss resulting from the offence.
  - Assurance and advisory work of the Internal Audit Team which has supported the improvement of controls.
  - Details of the interventions that were put in place immediately following arrests.
8. The Committee has previously been advised that a Post-Trial Review would be completed and led by the Section 151 Officer (Corporate Director - Resources).
9. A Terms of Reference will be prepared by the Section 151 Officer with the engagement of the Monitoring Officer and provided to the Committee for consideration in its meeting on 23 January 2024. The outcomes and any recommendations arising from the review will be reported to the Governance and Audit Committee in due course.

## **Legal Implications**

10. There are no legal implications arising directly from the recommendations of the report.
11. Legal Implications associated with the draft Terms of Reference of the Post Trial Review will be addressed in the 23 January 2024 Committee Report.

## **Financial Implications**

12. The confidential report outlines the Council's response to protect public resources and uphold the principles in the Counter-Fraud and Corruption Strategy, to include the approach being taken to compensate the Council for the financial loss.

## **RECOMMENDATIONS**

13. That the Committee considers the Waste Management Post Trial Update and notes the approach being taken for a Post Trial Review and provides any appropriate comments.

**CHRIS LEE**  
**CORPORATE DIRECTOR RESOURCES (SECTION 151 OFFICER)**

The following report is attached:

Appendix A – Waste Management – Post Trial Update (Exempt from publication)