Fraud Strategy and Framework 2022/23 – 2024/25

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1. Introduction

Bridgend County Borough Council has a zero-tolerance culture to fraud, bribery, and corruption.

"In carrying out its functions and responsibilities, the Council encourages a culture of openness and fairness and expects Elected Members and employees at all levels to adopt the highest standards of propriety and accountability. The Council seeks to demonstrate clearly that it is firmly committed to dealing with fraud, corruption and bribery and will deal equally with perpetrators from inside (Members and employees) and outside the Council. In addition, there will be no distinction made in investigation and action between cases that generate financial benefit and those that do not."

"The Council's culture is one of honesty and zero tolerance to fraud and corruption. The prevention or detection of fraud and corruption and the protection of public money are everyone's responsibility. There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the Council will act with high standards or probity, openness and integrity and that Council employees or its agent(s) will lead by example in these matters.
(Bridgend County Borough Council – Anti-Fraud and Bribery Policy).

The Council takes its responsibilities for the stewardship of public finances very seriously and is committed to the highest standards of transparency and accountability in order to ensure appropriate use of public funds and assets. It has a duty to prevent fraud and corruption, whether it is attempted by someone within or outside of the Council such as another organisation, a resident, an employee, contractor or Councillor. The Council is committed to creating and maintaining an effective anti-fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities.

The Council maintains a suite of strategies and policies to support the effective management of the prevention, detection, investigation of fraud, corruption, and bribery (Anti-Fraud and Bribery Policy, Whistleblowing Policy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy). This document provides an extension to the Council's existing policies affording a framework of reactive and proactive initiatives to detect fraud and / or demonstrate assurance that fraud has not taken place.

In all its dealings, the Council 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.
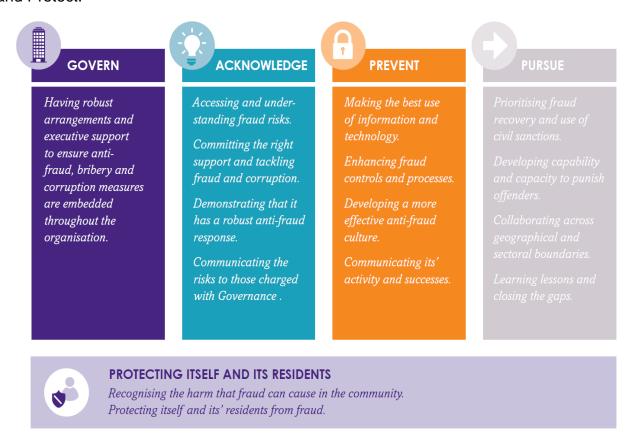
Leadership
Holders of public office should promote and support these principles by leadership and example.

The Council will not tolerate fraud or corruption by its Councillors, employees, suppliers, contractors, customers or any other attacks on its resources by criminals. We will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, dismissal, prosecution and robust recovery of losses through both civil and criminal means.

To fulfil the Council's Fraud Strategy and Framework Action Plan 2022 - 2025 the authority must ensure that fraud, bribery, corruption, and misappropriation is minimised. Every pound lost to fraud and corruption is a reduction in resources and negatively influences the authorities' ability to deliver its objectives.

Our strategy is based upon five key principles: Govern, Acknowledge, Prevent, Pursue and Protect.

GOVERN	ACKNOWLEDGE	PREVENT	PURSUE
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	*Accessing and understanding fraud risks.* *Committing the right support and tackling fraud and corruption.* *Demonstrating that it has a robust anti-fraud response.* *Communicating the risks to those charged with Governance .*	*Making the best use of information and technology.* *Enhancing fraud controls and processes.* *Developing a more effective anti-fraud culture.* *Communicating its' activity and successes.*	*Prioritising fraud recovery and use of civil sanctions.* *Developing capability and capacity to punish offenders.* *Collaborating across geographical and sectoral boundaries.* *Learning lessons and closing the gaps.*

PROTECTING ITSELF AND ITS RESIDENTS
Recognising the harm that fraud can cause in the community.
Protecting itself and its' residents from fraud.

Accompanying the five principles are six overarching themes to assist the organisation ensure that our counter fraud response is comprehensive and effective. These are often referred to as the six Cs.

- **Culture**
Create a culture in which beating fraud and corruption is part of normal business

- **Capability**
Ensuring that the range of counter fraud measures deployed is appropriate to the fraud risks

- **Capacity**
Deploying the right level of resources to deal with the level of fraud risk

- **Competence**
Having the right skills and standards in place

- **Communication**
Raising awareness, deterring fraudsters sharing information and celebrating success

- **Collaboration**
Working together across internal and external boundaries with colleagues and other agencies, sharing resources, information skills and learning

2.   Roles & Responsibilities

The Anti-Fraud and Bribery Policy deals with fraud, corruption and bribery internally and externally, it applies to:

- Employees
- Councillors
- Contractors
- Consultants
- Suppliers
- Service Users

Key roles and responsibilities are as follows:

Stakeholder Responsibilities	Specific Responsibilities
Chief Executive	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud corruption and bribery.
Chief Officer Finance (Section 151 Officer)	To ensure the Council has adopted an appropriate fraud strategy and framework, there is an effective internal control environment in place and there is an adequately resourced and effective Counter-Fraud Team.
Chief Officer Legal Services (Monitoring Officer)	To advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice.
The Governance and Audit Committee	To monitor on a regular basis the Council's approach to tackling fraud and corruption and promote an anti-fraud culture.
Councillors	To comply with the Code of Conduct and related Council policies and procedures, to be aware of the possibility of fraud, corruption and bribery and to report any genuine concerns accordingly.
Internal Audit	Internal Audit are responsible for evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.
Investigation Officer	Responsible for the co-ordination of the authorities' fraud strategy and framework, including the measures in place to

	acknowledge, prevent and pursue fraud and corruption activity. This also includes the key co-ordination role in the National Fraud Initiative (NFI), which is a fraud prevention and detection exercise based around bulk data matching that is led by the Cabinet Office, every two years.
Chief Executive, Chief Officers and Group Managers	Manage the risk of fraud, corruption and bribery. To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to the Investigation Officer or Internal Audit. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and bribery 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, corruption and bribery. They are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable. Also responsible for reporting malpractice through the established 'Whistle Blowing' procedures. Employees are expected to adhere to the Employee Code of Conduct Protocol and Financial Regulations and Contract Procedure Rules.

3. 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 Council also deals with fraud in non-criminal disciplinary matters.

For the purposes of this document, fraud is defined as, 'the intentional distortion of financial statements, or other records by a person or persons internal or external to the authority, which is carried out to conceal the misappropriation of assets or otherwise for gain'.

This includes deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

The definition covers various offences including deception, forgery, theft, misappropriation, collusion and misrepresentation. However, use in this context is not intended to limit the full use of the Fraud Act 2006 in the investigation and prosecution by the Council of any offences.

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 or meals.

Bribery Act 2010

The **Bribery Act 2010** received Royal Assent on 8th April 2010 and reforms the criminal law to provide a new, modern and comprehensive scheme of bribery offences that will enable courts and prosecutors to respond more effectively to bribery at home or abroad.

Bribery - 'the offering, promising, giving, soliciting, agreement to accept or acceptance of a financial or other advantage which may induce or reward a person to perform improperly a relevant function under 'The Bribery Act 2010.'

Bribery Act Offences
The Act creates the following offences relevant to the Council:

- Offences of bribing another person,
- Offences relating to being bribed; and
- Offences relating to the bribery of foreign public officials.

Furthermore, if the offence is proved to have been committed with the consent or connivance of a senior officer of the organisation, then the senior officer may be personally liable.

Further guidance is available from the Ministry of Justice to explain to organisations what action is required to ensure they are compliant.

What is Theft?

Theft is stealing any property belonging to the Council or which has been entrusted to it (i.e., client funds), including cash, equipment, vehicles and data.

Theft does not necessarily require fraud to be committed. Theft can also include the stealing of property belonging to our staff or members whilst on Council 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 Council'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 the Council's Anti-Money Laundering Policy should be followed. The Council's Money Laundering Reporting Officer (MLRO) is the Chief Finance Officer / Section 151 Officer.

4. Aims and Objectives

The aims and objectives of the Fraud Strategy and Framework are to: -

A. Protect the Council's valuable resources by ensuring they are not lost through fraud and corruption but are used for improving the delivery of services to Bridgend County Borough residents through the successful implementation of the ongoing measures to reduce fraud.

B. Gain a better understanding of local fraud and corruption risks influencing the Council's ability to deliver its objectives.

C. Create an 'anti-fraud' culture that highlights the Council's zero tolerance of fraud, corruption and bribery, which defines roles and responsibilities and actively engages the public, Councillors and employees, by raising awareness of fraud both internally and externally.

D. Actively seek to increase the Council's resilience to fraud and corruption through the raising of fraud awareness.

E. Provide a best practice counter-fraud service which:

- Proactively deters, prevents and detects fraud, corruption and bribery.

- Investigates suspected or detected fraud, corruption and bribery.

- Enables the Council to apply appropriate sanctions and recover losses.

- Provides management reports and recommendations to inform policy, systems, and control improvements, thereby reducing the Council's exposure to fraudulent activity.

F. Create an environment that enables the reporting of any genuine suspicions of fraudulent activity. However, we will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, we may take disciplinary or legal action; and

G. Work with our partners and other investigative bodies in collaboration to strengthen and continuously improve our arrangements to prevent fraud and corruption.

5. Fraud Risks

The Council seeks to fulfil its responsibility to reduce fraud and protect its resources by a strategic approach consistent with that outlined in both CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and in the Local Government Fighting Fraud & Corruption Strategy for the 2020's, and its five key themes of Govern, Acknowledge, Prevent, Pursue & Protect. Fraud risks are corporate risks faced by all of our services and, as with other risks, they are the responsibility of the Directorates to manage and mitigate.

The Investigating Officer and Internal Audit, however, provide advice, knowledge, and support to the Directorates in the managements of these risks.

Committing Support	The Council's commitment to tackling fraud threats is clear. We have whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. Staff awareness of fraud risks will be gained through e-learning, face-to-face development sessions, Internal Audit and Investigating Officer reports and general consultation and advice provided.
Assessing Risks	We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements and annually meet with the Directorate Management Teams to discuss fraud, bribery, corruption and internal control risks and seek to assess in terms of likelihood and impact. These risk assessments along with known fraud risks identified by investigation work and national reports and fraud patterns will inform our annual programme of works for both Internal Audit and the Investigating Officer.
Robust Response	We will strengthen measures to prevent fraud. Internal Audit and the Investigation Officer will work with

	management and our internal partners such as Human Resources, Finance and Legal to ensure new and existing systems and policy initiatives are adequately fraud proofed.
Better use of Information Technology	We will explore the use of data and analytical software to prevent and detect fraudulent activity. We will always look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud as we have done in becoming members of the Welsh Fraud Officers Group. We will continue to play an active part in the National Fraud Initiative (NFI) data matching exercise. Whilst the Investigation Officer plays a co-ordination and support role in this exercise, management are responsible for processing the actual matches. The Investigating Officer will ensure there is a robust follow up process to ensure that high risk matches are pursued where appropriate.
Enhancing fraud controls and processes	We will educate managers with regard to their responsibilities for operating effective internal controls within their service areas. We will promote strong management and good governance that provides scrutiny and independent challenge to risks and management controls. Internal Audit reviews will seek to highlight vulnerabilities in the control environment and make recommendations for improvement. The Investigation Officer's investigations and reports will also provide management with actions to improve controls to reduce fraud risks.
Anti-fraud culture	We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning module, and provide information and guidance on all aspects of our counter fraud work.
Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action. We will also seek to publicise successes to act as a deterrent to those seeking to commit fraud.
Enforcement	We will investigate instances of suspected fraud detected through the planned proactive work and cases of suspected fraud referred from internal or external stakeholders or received via the whistleblowing procedures. These will be

	prioritised on a fraud risk basis. We will work with internal/external partners/organisations, including law enforcement agencies where common ground exists or where intelligence can be lawfully shared.

6. Current Fraud Landscape & Risks

The fraud landscape is ever changing and requires constant review. Covid 19 and the associated grant schemes has provided a further challenge in this area. The Council keeps abreast of these changes in a number of ways.

- Membership of the National Anti-Fraud Network (NAFN), which provides the Council with a legal gateway to a wide range of information providers, best practice and legislation updates. It also enables the sharing of fraud intelligence and bulletins of local and national interest which potentially affect the organisation.

- Membership of the Welsh Fraud Officers Group which meets regularly to discuss current fraud work and associated risks, trends and emerging fraud risks developing across Wales.

- Membership of the Welsh Chief Auditors Group, whose aim is to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

- Membership of The Chartered Institute of Public Finance and Accountancy (CIPFA) and a contributor to the Counter Fraud and Corruption Tracker (CFaCT) survey.

- Attendance at relevant counter fraud conferences.

- Contributing and reviewing of National Fraud Reports such as Protecting the Public Purse (PPP) and the Annual Fraud Indicator Report.

- Contributors to the National Fraud Initiative (NFI) exercise led by the Cabinet Office and co-ordinators of the output reports analysis from the exercise.

- Constant review of incoming fraud referrals informing patterns and/or concerns affecting the fraud risk in specific areas.

- Fraud investigation and Internal Audit outcome reports to management highlighting fraud risk control weaknesses with recommendations to strengthen.

- Liaison with the Directorates and their Department Management Teams on an annual basis to discuss fraud risks and periodically when required.

The Council can be exposed to fraud, corruption and bribery through a variety of internal and external sources. These include:

Fraud Risk Area	Overview

1	**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
2	**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.
3	**Cyber Fraud**	The use of technology specifically is used to take advantage of system weaknesses for gain. This could include ransomware/malware attacks, hacking or use of council systems to test stolen account details ("checker fraud"). Staff/clients could fall victim to scams and frauds, including executive impersonation, advanced fee and funds transfer. It could also include "cyber-enabled" frauds (i.e., use of the internet to commit fraud). Remote working can increase risk leaving users more vulnerable to fraudulent attacks. This is due to reduced checks.
4	**Direct Payments**	A recipient falsely claims Direct Payments, e.g., by misrepresenting their care needs or failing to disclose receipt of other benefits. There is also a risk of abuse of position by personal assistants, carers or parents, leading to monies not being spent for the recipients benefit. There is an additional risk that a family member misuses the direct payments meant for the person they are caring for and becomes dependant on the income.
5	**Procurement Fraud**	There are activities including price-fixing, bid rigging and cover pricing, to maximise profit margins or share out contracts. In addition, this risk also overlaps with bribery and corruption internal risks. There is a risk that claims are made to defraud the council by claiming payment for goods/services not provided; delivering goods/services of substandard quality; overpricing or duplicate invoicing
6	**National Non-Domestic Rates (NNDR)**	A business makes a claim for rate relief based on false information, e.g., stating that a property is no longer in use; not declaring the location of a business or falsely claiming relief, e.g., by claiming to be occupied by a charity; intermittent occupation or the use of "phoenix companies" to avoid liability (although not technically illegal)
7	**Internal Fraud by Officers and Members**	Officers or Members may abuse their position for private gain or misuse council assets for personal

		gain, including computer hardware and software, plant, machinery and equipment and intellectual property. Theft of cash or portable items belonging to the Council, employees or Members. Receipt of financial or other rewards as an inducement to perform their duties improperly or seek to influence a decision-maker. Also, a risk of failing to declare an interest in a company or organisation.
8	**Client Finances**	The management of client's finances, where clients lack capacity, are fraudulently managed. This covers appointeeship, court of protection and any other management of client's finances
9	**Election Fraud**	There is voter registration fraud; impersonation (at polling stations); postal vote fraud, phishing and hacking, denial of service and ransomware (particularly at the time of an election).
10	**Cash Handling**	Theft or false accounting occurs with officers responsible for handling cash, either as income or expenditure (e.g., petty cash). This could include accounting for cash (and other income) security and banking.
11	**Organised Crime/ Money Laundering**	Council systems are used to launder money or there is abuse of council systems and they are used by organised crime gangs, e.g., sham marriages. Also, there is a risk that properties are used within the town as fronts for illegal activity (illicit tobacco/alcohol, money laundering).
12	**Schools**	Although the majority of schools' frauds are covered elsewhere (e.g., payroll, staffing, cash handling, procurement), nationally schools are the largest source of internal referrals. The delegated nature of their budgets also requires a specific counter fraud response. Currently a £105m budget covers 59 different schools with each pound spent decided by the school themselves.
13	**Insurance Fraud**	Bogus claims are made with serial claimants across authorities. Also organised "crash for cash" or "slip and trip" frauds and any insurance claim that is proved to be false, made against the organisation or the organisations insurers.
14	**Blue Badges**	Abuse of the scheme occurs, including an individual using a badge holders badge when the badge holder is not part of the journey or continues to use it or

		applies for a new badge after the badge holder's death. Also, the use of counterfeited badges or applications for a blue badge using inaccurate information or failing to report a change.
15	**Payment to suppliers (including payment by Purchasing Cards)**	There is misuse of procurement cards, creation of bogus suppliers / invoices. Offences include fraud by abuse of position, false accounting and corruption.
16	**Employment / Payroll**	There are submissions of claims for duties not carried out, inflation of expenses claims, claiming sick pay when fit to work and failing to work contracted hours. Also, the creation of ghost employees and generating payments and false overtime claims. Offences include fraud by false representation, failure to disclose information and false accounting.
17	**Grants**	Grant payments are obtained from the Council under false pretences or that grants are claimed from different sources for the same purpose or that the recipient fails to deliver outputs stated in the grant conditions. In addition, there is a risk of bogus companies or individuals making a claim perpetrating to be someone else. This also overlaps with the internal risk of corruption. There is additional risk where there is a requirement to process and pay grants at speed where sufficient checks may not be completed.
18	**Licensing**	There is an abuse of a license (e.g., assigning to someone else) or claiming benefits/council tax reduction while working or having no right to work in this country. There are also links to organised crime. There is also a risk of a fraudulent application for a taxi license where an applicant does not declare a relevant fact or fails to declare a change posing a potential risk to the public.
19	**Recruitment**	Applicants submit bogus qualifications or references or have no right to work or fail to disclose income for benefit purposes. There is also a risk of offences which could include fraud by false representation or failure to disclose information.
20	**False Applications**	There is a risk that the council is supplied with false documentation in support of applications / registrations in respect of services provided e.g., declaration of intention to marry from persons subject to immigration control, applications for housing and planning applications

These areas can be regularly subject to attack by individuals / groups intent on committing fraud, which, if successful, means that there is less money and resources available for those in genuine need.

7. Managing the Risk of Fraud, Bribery & Corruption

Whilst all stakeholders have a part to play in reducing the risk of fraud, Elected Members and Senior Management are ideally positioned to influence the ethical tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

As with any risk faced by the Council, it is the responsibility of managers to ensure that fraud risk is adequately considered within their individual service areas and in support of achieving strategic priorities, business plans, project and programme objectives and outcomes. In making this assessment, it is important to consider the risk of fraud occurring (i.e., proactive) rather than the actual incidence of fraud that has occurred in the past (reactive).

Once the fraud risk has been evaluated, appropriate action will be taken by management to mitigate those risks on an on-going basis, for example through introducing and operating effective systems of internal control (first line of defence).

Adequate supervision, recruitment and selection, scrutiny and healthy scepticism will not be seen as distrust, but simply as good management practice, shaping attitudes and creating an environment opposed to fraudulent activity.

Good corporate governance procedures are a strong safeguard against fraud, corruption and bribery.

The Council's Governance and Audit Committee plays a key role in scrutinising the Council's approach to fraud, its system of controls and risk management; and its wider resiliency to financial irregularity in general (second line of defence).

The Council undertakes a risk-based programme of works targeting areas of high risk to fraud and corruption. This is based on consultation with the Directorates, known local fraud outcomes from investigation work, evidence from national reports such as *Protecting the Public Purse 2015* and outcomes from data-matching such as the National Fraud Initiative, this programme of works is approved by the Governance and Audit Committee.

Internal Audit also undertakes a risk-based assurance programme of work each year developed with input from management and agreed by the Governance and Audit Committee. This assurance work involves an independent review of systems and procedures, including a review of the management of risk (of both fraud and other types of risk) whereby system weaknesses are brought to the attention of management along with recommendations to strengthen controls within procedures (third line of defence).

8. Ongoing Measures to Reduce Fraud

This Fraud Strategy and Framework sets out the measures the Council proposes to take over the medium-term future to further improve its resilience to fraud, bribery and corruption. These measures are detailed below:

	Action
1	Development of a fraud risk register, which will be reviewed quarterly by the Corporate Management Board. Any significant risks identified will be escalated to the Corporate Risk Register and reported to the Governance and Audit Committee
2	Ensuring that there is a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing, and responding to fraud risks.
3	To be an active participant in the bi-annual National Fraud Initiative (NFI) exercise and to robustly investigate suspected cases of fraud identified through NFI. The Investigation Officer is responsible for the co-ordination of the exercise including ensuring that the data sets comply with specification and are securely uploaded to the Cabinet Office. Management is responsible for the review of matches that are returned and for referring suspicions of fraud and corruption to the Investigation Officer.
4	Raising awareness of fraud, bribery, and corruption by developing an effective online fraud awareness training programme for Members and Officers and providing ongoing training.
5	Producing an end of year report to those charged with governance covering all reactive and proactive fraud initiatives.
6	With the number of new grant funding opportunities that have been introduced by Welsh Government during the Covid 19 pandemic, which Local Authorities have been required to administer, there has been a consequent increase in attempts by fraudsters to obtain public funds via false applications. Also, there is a developing trend for individuals to make multiple applications across different authorities. Data analytics and data matching will be used to match electronic data to unable us to detect and prevent fraud in these areas.
7	Maximising the use of data analytics and data matching to match electronic data to detect and prevent fraud.
8	Developing a newsletter that promotes awareness of fraud and provides alerts and information to staff and members across the Council at regular intervals throughout the duration of the action plan.
9	Conducting a "Fraud Health Check" across school establishments to attain assurance over the controls and governance in place to mitigate the potential for fraud.

10	Actively maintaining the authority's membership of the Welsh Fraud Officers Group, The Chartered Institute of Public Finance and Accountancy (CIPFA), and all other enforcement partners including the Police and HMRC. Also, being open to new and innovative anti-fraud projects.
11	Producing fraud investigation outcome reports for management which highlight the action taken to investigate the fraud risks and the outcome of the investigations e.g., sanction and recommendations to minimise future risk of fraud.
12	Exploring with Human Resources the possibility of including management responsibility for managing fraud and corruption risks within all managerial role profiles.
13	Enabling a clear and concise point of reference for necessary information on fraud and irregularity maximising the potential of digital to enhance the user experience. Maintaining the fraud internet/intranet pages to ensure they are kept up to date.

9. Measures of Success

The successful implementation of this strategy will be measured by the following:

- Successful implementation of the actions contained within the strategy.

- Increased awareness of fraud, corruption and bribery risks by members, managers and employees.

- Evidence that fraud risks are being actively managed across the authority.

- Increased fraud risk resilience across the authority to protect the Council's assets and resources.

- An anti-fraud, bribery, and corruption culture where employees feel able to identify and report concerns relating to potential fraud, corruption, and bribery.

10. Reporting and Review

The Council's approach to suspected fraud can be demonstrated in its Fraud Response Plan/Flowchart - **see Appendix 1.**

The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. If anyone believes that someone is committing a fraud or suspects corrupt practices, these concerns should be raised in the first instance directly with line management then the Investigation Officer or Internal Audit.

Where managers are made aware of suspected fraud by employees, they have responsibilities for passing on those concerns to the Investigation Officer, Internal Audit and Chief Finance Officer (Section 151 Officer).

In the event of a whistleblowing allegation the Monitoring Officer should also be updated. Managers should react urgently to suspicion of potential internal fraud, bribery or corruption.

Head teachers of LA-maintained schools should also notify their Chair of Governors. Notifications must be treated with the utmost confidentiality. Any person that is implicated in the alleged offence should not be included in the notification procedure.

The Chief Finance Officer (Section 151 Officer), the Chief Legal Officer (Monitoring Officer) and the Head of Regional Internal Audit Service have responsibility for ensuring the authority has a robust anti-fraud, bribery, and corruption response.

Fraud updates and results are reported to the Governance and Audit Committee on an annual basis via the Annual Corporate Fraud Report or ad hoc as necessary. The Fraud Risk Register will be monitored by the Corporate Management Board on a quarterly basis and any significant risks identified will be escalated to the Corporate Risk Register and reported to the Governance and Audit Committee where necessary. This will ensure that this fraud strategy remains compliant with good practice national public sector standards, primarily CIPFA's Code of Practice on Managing the Risk of Fraud, Bribery and Corruption and the Local Government Fighting Fraud & Corruption Strategy for the 2020's and that it continues to meet the needs of Bridgend County Borough Council.

Appendix 1. Fraud Response Plan/Flowchart

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┌─────────────────────────────────┐
│ Fraud identified, suspicion or  │
│ allegation reported and forwarded│
│ to Section 151 Officer and      │
│ Investigation Officer or Internal│
│ Audit                           │
└─────────────────────────────────┘
                │
                ▼
┌─────────────────────────────────┐
│ Conduct risk assessment of fraud │
│ or allegation and gather evidence│
└─────────────────────────────────┘
                │
                ▼
         ┌──────────────────────────┐
   ┌─────│ Sufficient evidence to   │─────┐
   │     │ investigate further?     │     │
   ▼     └──────────────────────────┘     ▼
┌──────┐                              ┌──────┐
│  No  │                              │ Yes  │
└──────┘                              └──────┘
   │                                     │
   ▼                                     ▼
┌──────────────┐              ┌──────────────────┐
│ Log outcome  │              │ Investigation    │
│ and feedback │              │ Plan             │
│ where        │              └──────────────────┘
│ appropriate  │               │               │
└──────────────┘               ▼               ▼
                    ┌──────────────┐  ┌──────────────┐
                    │ Internal     │  │ External     │
                    │ Fraud        │  │ Fraud        │
                    └──────────────┘  └──────────────┘
```

Meet with management and link in with HR to follow usual process

Internal Fraud → **Investigation** → **Investigation outcome report**

External Fraud → **Serious & Organised Fraud** → **Police Investigation**

Investigate

Fraud Proven — Yes / No

Yes → **Update Section 151 Officer** → **Management Report** → **Follow up recommendations**

Update Section 151 Officer → **Sanction/ Prosecution** → **Recover losses** → **Consider all options**

Recover losses → **Publicise Outcome**

No → **Management/ HR Report** → **Follow up recommendations**