

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>24 JUNE 2025</b>
<b>Report Title:</b>	<b>FRAUD STRATEGY AND FRAMEWORK 2025/26 to 2027/28</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER FINANCE, HOUSING AND CHANGE AND HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>SIMON ROBERTS – SENIOR FRAUD INVESTIGATOR AND JOAN DAVIES – DEPUTY HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Council’s Fraud Strategy and Framework 2022/23 to 2024/25 was a 3-year strategy which required review and updating to ensure the Council maintains a suite of strategies and policies to support the effective management of the prevention, detection, and investigation of fraud, corruption, and bribery.</b></li> <li>• <b>The updated Fraud Strategy and Framework 2025/26 to 2027/28 has been reviewed by the Governance and Audit Committee and is now presented to Cabinet for approval and is included at Appendix A.</b></li> <li>• <b>The Council’s Fraud Strategy and Framework outlines the aims and objectives of the strategy, identifies fraud risks and includes steps to support the Council’s improvement and resilience to fraud, bribery, and corruption.</b></li> <li>• <b>The strategy contributes to the Council’s commitment to developing a culture of honesty, integrity and opposition to fraud, corruption, and bribery.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present to Cabinet for approval the Fraud Strategy and Framework 2025/26 to 2027/28, attached at **Appendix A**, following its review

by the Governance and Audit Committee. The strategy outlines the overarching structure and approach to fraud risk management.

## **2. Background**

- 2.1 The Council's Fraud Strategy and Framework 2022/23 to 2024/25 was a 3-year strategy to provide a framework for the Council in respect of fraud by identifying roles and responsibilities, aims and objectives, fraud risks, an action plan and a fraud response plan flowchart. Counter fraud policies are also in place to support the strategy.
- 2.2 This strategy required reviewing and updating to ensure the Council maintained a suite of strategies and policies to support the effective management of the prevention, detection, and investigation of fraud, corruption and bribery.
- 2.3 The Fraud Strategy and Framework outlines the strategic approach to tackling fraud across the organisation. It seeks to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.
- 2.4 Based on the Public Sector Fraud Authority's (PSFA) methodology, it is estimated that fraud and error cost the UK taxpayer £55 billion to £81 billion in 2023-24. It is reported that only a fraction of this is detected and known about to enable investigation and recovery.
- 2.5 The updated Fraud Strategy and Framework 2025/26 to 2027/28 was presented to the Governance and Audit Committee on 24 April 2025 for consideration, prior to submission to Cabinet for approval. No changes were recommended by the Committee prior to it being submitted to Cabinet.

## **3. Current situation / proposal**

- 3.1 The Fraud Strategy and Framework 2022/23 to 2024/25 has been reviewed by the Fraud Investigation Team, alongside officers from Internal Audit and finance, and a number of amendments have been made to bring the document up to date to reflect changes such as:
  - updates to officer titles and lines of responsibility
  - new section on the Failure to Prevent Fraud offence and tax evasion.
  - refreshed and updated steps to support continual improvement.
  - updates to the ways in which the Council keeps abreast of changes to the fraud landscape and associated risks.
- 3.2 The Council's updated Fraud Strategy and Framework at **Appendix A** outlines the aims and objectives of the strategy, identifies fraud risks and includes steps to support continual improvement to the Council's resilience to fraud, bribery and corruption.
- 3.3 The strategy identifies roles and responsibilities, aims and objectives, and fraud risks. Measures of success and a flow chart demonstrating the Council's approach to a suspected fraud is also included.

- 3.4 Updates on fraud are reported to the Governance and Audit Committee on an annual basis via the Annual Corporate Fraud Report, or ad hoc as necessary. The Council's Fraud Risk Register is monitored by the Corporate Management Board on a quarterly basis and any significant risks identified are escalated to the Corporate Risk Register and reported to the Governance and Audit Committee where necessary.
- 3.5 Supporting this Strategy are existing key policies such as the Anti-Fraud and Bribery Policy, Whistleblowing Policy, Anti-Money Laundering Policy and the Anti-Tax Evasion Policy. These all assist in developing a culture of honesty, integrity and opposition to fraud, corruption and bribery.
- 4. Equality implications (including Socio-economic Duty and Welsh Language)**
- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.
- 5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**
- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.
- 6. Climate Change Implications**
- 6.1 There are no climate change implications arising from this report.
- 7. Safeguarding and Corporate Parent Implications**
- 7.1 There are no safeguarding or corporate parent implications arising from this report.
- 8. Financial Implications**
- 8.1 The financial implications are reflected within this report as any fraud impacts on the resources available to the Council.
- 9. Recommendation**
- 9.1 Cabinet is recommended to approve the Fraud Strategy and Framework 2025/26 to 2027/28 attached at **Appendix A**.

## **Background documents**

None