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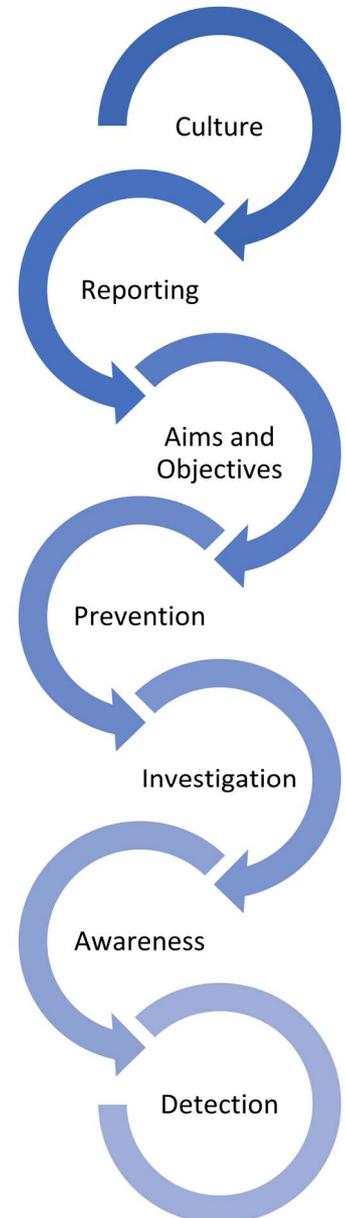
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## ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY 2020-2025



## 1. Introduction

The Swansea Bay City Deal is a £1.2bn investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. Over the next 15 years, the City Deal will boost the regional economy by £1.8bn and generate almost 9,000 new, high-quality jobs. The Portfolio through Lead Partner Authorities operate a range of systems and deal on a day to day basis with a wide range of contractors and customers. The diverse range and nature of services and activities coupled with the size of project/programme operations and budgets inevitably put the Portfolio at risk of fraud, bribery and corruption, from both internal and external sources.

Fraud is not a victimless crime and can affect us all.

The monetary cost – in monetary terms, fraud costs the country billions of pounds a year. It also affects the amount of money available to spend on delivering Swansea Bay City Deal programmes.

The human cost – There are other not so obvious costs as a consequence of some frauds.

The Joint Committee is aligned to the CIPFA/SOLACE Governance Framework and will work alongside partner authorities to embed process and mitigate fraud, bribery and corruption as far as possible to safeguard the portfolio's assets and resources. The Joint Committee does **not** tolerate fraud, bribery and corruption by its members, employees, suppliers, contractors, partners and takes a zero-tolerance approach to all forms of fraud, bribery and corruption. The Joint Committee will take steps to investigate all allegations of fraud, bribery and corruption, and pursue sanctions available in each case, including the removal of office, disciplinary action, civil action for recovery and/or referral to the appropriate police force and/or other agencies. The collaborative agreement of the Swansea Bay City Deal requires the Joint Committee to oversee sustainable development, which means the process of improving the economic, social, environmental and cultural well-being of Wales. The role of the Joint Committee will play an important part to ensure the implementation and adherence of the 7 principles of Good Governance set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) by behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law. Managing risks and performance through robust internal control and strong public finance management. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Joint Committee has a high degree of external scrutiny of its affairs by a variety of bodies including:

- Audit Wales
- Central Government Departments and Parliamentary Commissions
- Welsh Government

## 2. Definitions - Fraud and Corruption

### 2.1. What is Fraud?

Fraud is a criminal act or omission of deception intended for personal gain or to cause a loss to another person or organisation (Fraud Act 2006, UK Legislation) this includes:

- Knowingly making a false representation – where an individual dishonestly and knowingly makes a representation that is untrue or misleading.
- Failing to disclose information – where an individual wrongfully and dishonestly fails to disclose information to another person when they have a legal duty to disclose it, or where the information is of a kind that they are trusted to disclose it, or they would be reasonably expected to disclose it.
- Abuse of position – Where an individual who has been given a position in which they are expected to safeguard another person's financial interests dishonestly and secretly abuses that position of trust without the other person's knowledge.

Fraud may be committed against individuals, businesses, or other organisations.

Fraud may be committed by persons internal or external to the Joint Committee, either acting alone or as part of a group. In all 3 classes of fraud, it requires that for an offence to have occurred, the person must have acted dishonestly, and that they had to have acted with the intent of making a gain for themselves or anyone else, or inflicting a loss (or a risk of loss) on another.

### 2.2. What is Corruption?

Corruption is regarded as:

- The offering, giving, soliciting or accepting of any inducement or reward, which would influence the actions taken by the body, its members or officers.

Corruption is any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means, and Bribery is giving someone a financial advantage to encourage that person to perform their functions or activities improperly or to reward that person for already doing so.

### 2.3. What is Bribery?

The Bribery Act 2010, UK Legislation identifies the criminal offence of bribery and identifies 4 key offences:

- Bribing another person – A person commits an offence by offering, promising or giving a financial or other advantage to another person, directly or through an intermediary: intending that advantage to induce a person to perform improperly a function or to reward a person for so doing (whether or not it is the same person to whom the advantage is offered) or knowing or believing that accepting the advantage would itself be improper performance of a function.
- Being bribed – A person commits this offence by requesting, agreeing to receive or accepting a financial or other advantage, directly or through a third party, for his or her own or someone else's benefit: that person intends that, as a consequence, there is improper performance of a function or there is improper performance of a Function (whether as a reward, in anticipation of or as a consequence of the request, agreement or acceptance). The request, agreement or acceptance itself may be the improper performance of a function.
- Bribery of a Foreign Public Figure – This offence will be committed if a person offers or gives a financial or other advantage to a foreign public official with the intention of influencing the foreign public official and obtaining or retaining business, where the foreign public official was neither permitted nor required by written law to be so influenced; and

- Failing to prevent Bribery – A company is ‘strictly liable’ for any bribe paid by a person performing services on its behalf, unless the organisation proves that adequate anti-bribery procedures were in place.

#### 2.4. What is Theft?

A person is guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it; and “thief” and “steal” shall be construed accordingly.

It is immaterial whether the appropriation is made with a view to gain or is made for the thief’s own benefit.

(The Theft Act 1968.Legislation.gov.uk)

#### 2.5. 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 origin and ownership whilst retaining use of the funds.

Any service that receives money from an external person or body is potentially vulnerable to a money laundering operation.

The Joint Committee, Accountable Body and Portfolio Management Office recognise their responsibilities under the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002.

### 3. Culture

The culture of the Swansea Bay City Deal Joint Committee has always been one of openness and the core values of Integrity, Taking Responsibility and Excellence support this. The Joint Committee is committed to the highest ethical and moral standards and is determined that the culture encompassing the Swansea Bay City Deal is that of honesty, integrity and transparency and fundamental to these core values is its commitment to combat fraud and corruption.

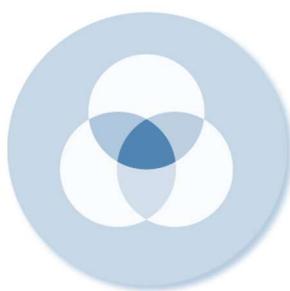
The prevention/detection of fraud, bribery and corruption and the protection of the public purse are responsibilities of everyone, both internal and external to the Joint Committee. The Joint Committee's Elected Members and supporting employees play an important role in creating this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority. The public also has a role to play in this process and should inform the Accountable Body if they feel that fraud/corruption may have occurred.

Swansea Bay City Deal's Joint Committee will continue to be committed to a policy of zero tolerance in relation to Fraud and Corruption. The public has a right to expect that public funds are spent appropriately, transparently and on essential services in an efficient, effective and economic manner. The Committee is determined to protect itself and the public from fraud and corruption. It is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption, which is designed to:

- Raise awareness of fraud and corruption,
- Encourage prevention,
- Promote detection,
- Perform investigations and facilitate recovery,
- Act as a deterrent against future fraud and corruption,
- Allow the Committee to act in the strongest way against any wrongdoing,
- Maintain, monitor and communicate policies and related procedures,
- Not tolerate false accusations of fraud.



HONESTY

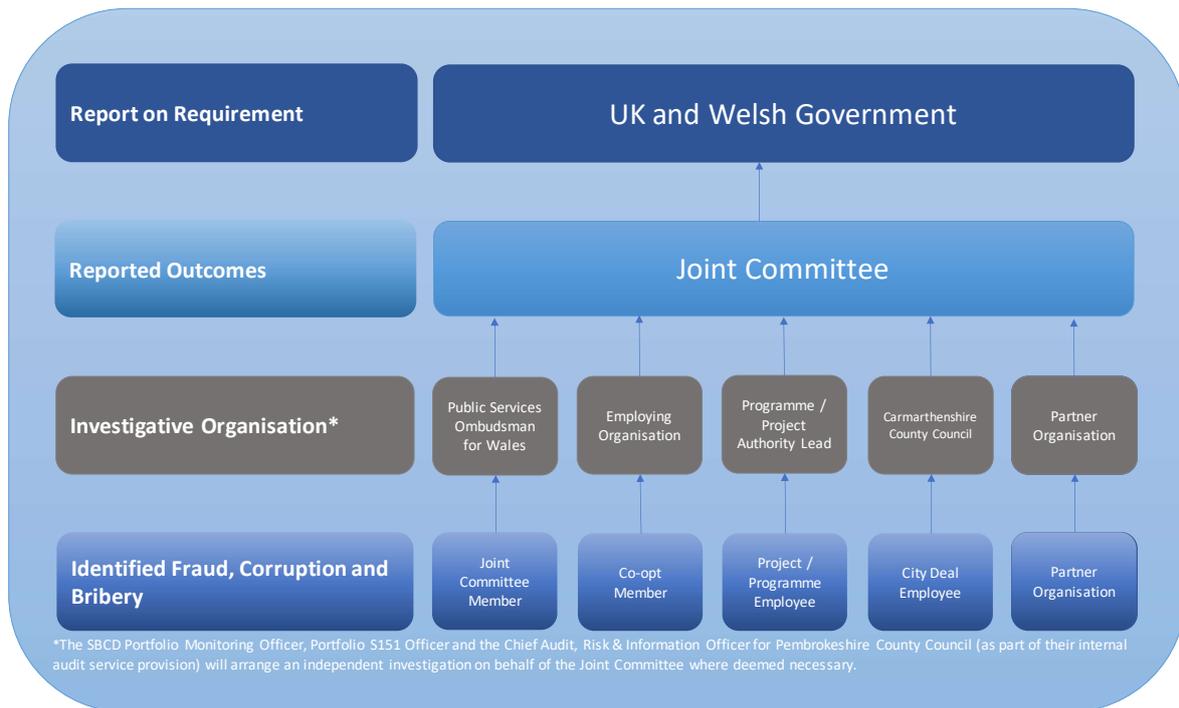


TRANSPARENCY



RESPECT

#### 4. Reporting Fraud and Corruption



All Councillors must comply with the Members Code of Conduct in accordance with Welsh Government requirements. Any suspicion of fraud for individual members of the Joint Committee will be referred to the constituent authorities to work within their own policies. Fraud or corruption by any member of the Joint Committee must be reported immediately to the Public Service Ombudsman for Wales or directly to the relevant Police department dependant on its nature and seriousness.

All Co-Opted members are required to comply with the Co-opted Members Rules of Conduct (Schedule 13 of the Joint Committee Agreement). Employing organisations of Co-Opted members are responsible for implementing their own anti-fraud and anti-corruption policies and report as appropriate to the Joint Committee. The SBCD Portfolio Monitoring Officer, Portfolio S151 Officer and the SBCD Head of Internal Audit will arrange an independent investigation on behalf of the Joint Committee where deemed necessary.

Fraud and corruption by any officer within a City Deal project or programme should be reported through the policies and strategies of the Project/Programme Lead Authority. Lead Authorities are responsible for programme/project delivery with management for programme/project delivery in line with their individual corruption, fraud and bribery policies and strategies. In the event of fraud, corruption and bribery the Project/Programme Lead Authority and/or the Partner Organisation should immediately inform and regularly update the SBCD Monitoring Officer, SBCD Section 151 Officer and the SBCD Head of Internal Audit and make any documentation available as appropriate.

Employees of the City Deal are employed through Carmarthenshire County Council, and as such are bound by the contractual and ethical standards of the Council. Any case of suspected fraud and corruption identified will be investigated and reported through the governance structure and in line with the policies and strategies of Carmarthenshire County Council.

Within the engaged funding agreements, partner organisations, legally without charge, permit any officer of the Project Authority Lead, Accountable Body, Welsh Government, UK Government, Wales Audit Office or the Council undertaking the audit function for the Swansea Bay City Deal at any reasonable time and on reasonable notice, to visit the Recipient's premises or inspect any of the Project's activities or to examine and take copies of the Recipient's books of account and such other documents or records as in such officer's reasonable view may relate in any way to the Recipient's use of the Project Funding.

Pembrokeshire County Council Internal Audit Service is not expected undertake any investigations on behalf of the Joint Committee. The Portfolio Section 151 officer, Monitoring Officer and Head of Internal Audit on identification of any case of fraud, corruption and bribery will determine whether an independent investigation is required on behalf of the Joint Committee to gain assurance. Any deemed investigation would be instructed by the Joint Committee.

Staff and public are able to report fraud confidentially through the below:

If you would like to speak to someone about frauds perpetrated against the Swansea Bay City Deal Joint Committee, you can contact the Carmarthenshire County Council's Head of Revenues and Financial Compliance on 01267 246223.

The Public can also make an appointment at one of our Carmarthenshire County Council's Customer Service Centre's in Ammanford, Carmarthen or Llanelli. If you are deaf or hard of hearing a sign language interpreter can be provided, please inform when making an appointment.

You can also email [direct@carmarthenshire.gov.uk](mailto:direct@carmarthenshire.gov.uk).

## 5. Detection and Investigation

Internal Audit, provided by Pembrokeshire County Council plays an important role in the detection of fraud, bribery and corruption. Included in their strategic plan are reviews of system controls including financial controls and specific fraud and corruption tests and will make spot checks. Internal Audit undertakes extensive data matching exercises to detect potential fraud comparing data sets between and within systems to identify discrepancies, which may indicate fraudulent activity.

In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.

Any decision to refer a matter to the Police of suspected fraud or corruption for a criminal investigation will require the instruction of the Portfolio Section 151 Officer.

Under the Joint Committee's **zero tolerance** approach, all cases of Fraud and Corruption are discussed with the Police with a view to progressing the prosecution.

Depending on the nature of the allegation the Head of Revenues and Financial Compliance will work closely with the Portfolio Monitoring Officer concerned to ensure that all allegations are thoroughly investigated and reported upon.

Carmarthenshire County Council's [Disciplinary Procedures](#) will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees or officers. Cases in respect of Elected Members will be referred to the Public Services Ombudsman for Wales.

Investigations are undertaken by suitably qualified staff within, who are aware of Data Protection and Human Rights issues and in particular the Regulation of Investigatory Powers Act 2016. Under this Act strict conditions are imposed when undertaking observations and surveillance and these require specific approval.

## 6. Prevention

Our aim is to stop fraud and corruption from happening in the first place. In line with the Well-being of Future Generations (Wales) Act 2015, the Joint Committee will act to prevent problems occurring or getting worse, by understanding the root cause of the issue and preventing reoccurrence, ensuring:

- There are clear rules and procedures within which Members, employees and customers can work; these are maintained, communicated and enforced.
- There is a robust Internal Control Environment established and there are appropriate levels of internal checks included in working practices, particularly financial procedures.
- The Joint Committee will work with other organisations/partners to prevent and detect fraud and corruption.
- The Joint Committee will establish an effective Code of Conduct for Members and staff.
- The Joint Committee will work with partners to prevent fraud and improve intelligence.
- That the Joint Committee's strategy on Anti-Fraud and Anti-Corruption is promoted to all parties including members, staff, service users and customers.
- Fraud Risks are included in the Corporate and Service Risk Registers.
- The Joint Committee will provide appropriate training to staff and Members on the prevention and detection of fraud and corruption.

A robust Internal Control Environment must be embedded within the Joint Committee whereby Management ensure that effective controls are in place within all systems to reduce the risk of fraud or corruption.

Internal and External Audit provide support to management by undertaking an independent evaluation of internal controls and reporting to management.

### 6.1. Members

Members are required to adhere to the 'Code of Conduct for Members and co-opted Members'. This code provides rules on the declaration of interest, gifts and hospitality. A register is maintained and Member Declarations of Interest are formally recorded in the minutes.

### 6.2. Staff

Employees must abide by the Joint Committee's Code of Conduct for Employees Code details the standards all employees must uphold to maintain the integrity of the Committees activities. The Code includes rules regarding relationships, gifts and hospitality, confidentiality, personal conduct and conflicts of interest.

## 7. Aims and Objectives of the Strategy

The Joint Committee will aim to:

Make better use of resources

Protect the Joint Committees valuable resources by ensuring they are not lost through fraud but are used for improving and enriching regional residents and visitors.

Prevent Fraud, through understanding the root cause of problems and driving improvements for long-term impact

Create and promote an 'anti-fraud' culture which highlights the Joint Committees' zero tolerance of fraud, bribery, corruption and theft.

Provide recommendations to inform policy, system, risk management and control improvements, thereby reducing the Joint Committees' exposure to fraudulent activity.

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

Work with others in a collaborative way to find shared, sustainable solutions

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

## 8. Conclusion

The Joint Committee prides itself on setting and maintaining high standards and a culture of openness, with core values of Integrity, Taking Responsibility and Excellence. This Strategy fully supports the Committees' desire to maintain an honest authority, free from fraud and corruption.

The Joint Committee is committed to zero tolerance in relation to fraud and corruption and has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation to safeguard the interests of the Joint Committee and its customers.

**The Joint Committee will maintain a continuous review of all these systems and procedures to ensure their relevance and effectiveness.**