



## **GOVERNANCE AND AUDIT COMMITTEE - 8<sup>TH</sup> OCTOBER 2024**

**SUBJECT: FRAUD RESPONSE PLAN**

**REPORT BY: ACTING INTERNAL AUDIT MANAGER**

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### **1. PURPOSE OF REPORT**

1.1 To seek Governance and Audit Committee approval of the Fraud Response Plan.

### **2. SUMMARY**

2.1 Audit Wales has recently undertaken a review of Counter-Fraud Arrangements in Caerphilly CBC, and their report is included separately on the agenda for today's meeting. One of the recommendations in the Audit Wales report is that the Council should produce a Fraud Response Plan.

2.2 The draft Fraud Response Plan attached as Appendix 1 defines how the Council will respond to allegations of fraud and provides guidance to officers and other parties.

2.3 The Governance and Audit Committee is responsible for ensuring that strategies and policies relating to fraud risk are adequately managed and monitored in order to gain assurance on the adequacy of internal control frameworks within the Council.

### **3. RECOMMENDATIONS**

3.1 The Governance and Audit Committee is asked to consider and approve the Fraud Response Plan.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Authority is continually reviewing and improving its counter-fraud arrangements.
- 4.2 To ensure that the Governance and Audit Committee is provided with assurance that appropriate arrangements are in place and that they are operating effectively.

#### **5. THE REPORT**

- 5.1 The Governance and Audit Committee approved the Council's Anti-Fraud Strategy at its meeting in June 2022. However, at that time the Fraud Response Plan had not been finalised.
- 5.2 Audit Wales has recently undertaken a review of Counter-Fraud Arrangements in Caerphilly CBC, and one of the recommendations in the Audit Wales report is that the Council should produce a Fraud Response Plan.
- 5.3 The draft Fraud Response Plan attached as Appendix 1 defines how the Council will facilitate the reporting of fraud related concerns / allegations relating to officers, members or contractors and provides guidance as to how these will be assessed and the actions that may be taken.
- 5.4 Fraud (including related offences such as bribery or theft) is a criminal offence and even if not taken to prosecution it will still result in loss to the public purse. It is important that there is a well defined process in place to ensure that concerns can easily be reported and investigated, and this will give assurance to staff, members and wider stakeholders that robust assurance and governance processes are in place.

#### **Conclusion**

- 5.5 The draft Fraud Response Plan is presented to the Governance and Audit Committee for consideration and approval.

#### **6. ASSUMPTIONS**

- 6.1 There are no assumptions in this report.

#### **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An integrated Impact Assessment is not required for this report.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Any financial loss due to fraud diverts funds from essential services and may also result in reputational damage and loss of confidence.
- 8.2 The Fraud Response Plan and other related policies and strategies will help to reduce the risk of financial losses arising from fraud.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no direct personnel implications arising from this report.

## **10. CONSULTATIONS**

- 10.1 All comments have been reflected in this report.

## **11. STATUTORY POWER**

- 11.1 Local Government and Elections (Wales) Act 2021

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Appendices:

Appendix 1 – Caerphilly CBC Fraud Response Plan