Archwilio Cymru
Audit Wales

Counter-fraud arrangements

South-East Wales Corporate Joint Committee

October 2026

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Audit snapshot

What we looked at

1 In 2020, the Auditor General for Wales in his report, Raising Our Game: Tackling Fraud in Wales, made 15 recommendations to improve the way the Welsh public sector tackles fraud. While the South-East Wales Corporate Joint Committee (CJC) did not exist at that time, we considered this report and its recommendations to look at the CJC's arrangements to prevent and detect fraud.

Why this is important

2 The risk of fraud is an increasingly common threat to almost every part of day-to-day living. The risk of fraud is prevalent across all aspects of the public sector. Strong counter-fraud arrangements help a public body protect its funds and maintain public confidence in its management of resources. Effective counter-fraud helps a public body prevent monetary and reputational loss. It also helps to demonstrate its trustworthiness and accountability.

What we have found

3 We found that the South-East Wales Corporate Joint Committee (CJC) has some important counter-fraud controls and sources of assurance. These include having a Counter-Fraud, Bribery and Corruption strategy, participating in the National Fraud Initiative (NFI), and having access to specialist internal audit and counter-fraud support. However, its overall counter-fraud framework is underdeveloped, as it lacks several key components expected of mature counter-fraud arrangements.

What we recommend

4 We made seven recommendations. In summary, these are:

- reviewing its Counter-Fraud, Bribery and Corruption strategy;
- developing a fraud risk assessment, action plan, work programme and response plan;
- strengthen its counter-fraud governance arrangements;
- clarifying the role and responsibilities of the Corporate Fraud team;
- making sure all CJC members submit appropriate and timely register of interest forms;
- making sure all staff receive proportionate fraud awareness training; and
- having sufficient and proportionate consideration of counter-fraud in recruitment.

Our findings

The CJC has some important counter-fraud controls but gaps in its arrangements mean it does not have a systematic approach to preventing and detecting fraud

Leadership, Culture and Training

5 The CJC has a Counter-Fraud, Bribery and Corruption strategy (the strategy) that clearly states it has zero-tolerance to fraud. The CJC promoted this strategy and wider anti-fraud messages to its staff during National Fraud Awareness Week in November 2025. This activity helps show staff that the CJC is committed to counter-fraud.

6 However, the CJC does not make sure that all staff receive fraud, corruption, and bribery awareness training that is appropriate to their role. The only compulsory fraud-related training is cyber security training, and the CJC keeps records of who completes it. This provides assurance that it can monitor staff completion rates. However, cyber security training alone does not cover the wider fraud, corruption and bribery risks relevant to the CJC. Providing regular and proportionate fraud awareness training would reinforce the CJC's zero-tolerance to fraud and remind staff of their responsibilities to help guard against these risks.

7 The finance team receives regular fraud awareness updates from Barclays Bank and invitations to fraud webinars. These provide useful external guidance on fraud prevention and detection that can help inform the CJC's internal controls.

8 The CJC's pre-employment checks do not have a specific counter-fraud focus. Introducing proportionate counter-fraud checks for roles with a greater fraud, corruption or bribery risk, could strengthen the CJC's preventative arrangements.

Policies

9 The CJC has several policies and procedures supporting its strategy. These include its Whistleblowing policy, declarations of interest, gifts and hospitality, and codes of conduct for staff and elected members. Together, these provide a solid foundation for the CJC's zero-tolerance stance on fraud, corruption, and bribery.

10 However, the CJC has not implemented several arrangements set out in its Strategy. Examples include incorporating counter-fraud into its induction programme; annual counter-fraud reporting; a fraud, bribery and corruption risk assessment; and a fraud risk work programme. This reduces the effectiveness of the CJC's counter-fraud arrangements and undermines its zero-tolerance stance.

11 The CJC requires all officers and members on its Boards and Committees to submit an annual register of interest form. But not all forms relate specifically to the CJC. For a small number of elected members, the register of interest form relates to their Council. This creates a risk that members are not declaring all relevant regional interests. We also found that many Board and Committee member declarations have not been updated since 2024. This lack of oversight in making sure its arrangements are adhered to could weaken the CJC's arrangements for managing conflicts of interest and reduce transparency in decision-making.

12 The CJC is reviewing its strategies and supporting policies and procedures through its internal change programme, 'Project Evolution'. The programme is at an early stage but is expected to assess what the CJC does, how it works, and whether its policies and strategies remain fit for purpose. This includes a review of the Counter-Fraud, Bribery and Corruption strategy and supporting procedures and policies. Completing this work at pace is important to provide the CJC with assurance it has strong operational, governance, and reporting arrangements.

Roles, capacity and expertise

13 The CJC has assigned senior responsibility for counter-fraud. The Director of Resources provides strategic leadership, while the Head of Finance is responsible for operational oversight.

14 The CJC can access specialist fraud support through its service level agreement (SLA) with Rhondda Cynon Taf County Borough Council (RCTCBC). There have been no known cases of fraud requiring this support to date. The SLA gives the CJC access to internal audit services and a Corporate Fraud team. It clearly states what RCTCBC will provide to the CJC in relation to counter-fraud arrangements, activity, and reporting.

15 However, the strategy and SLA are inconsistent. The strategy states the Corporate Fraud team's work includes fraud risk assessment and reporting, while the SLA says the team will not compile CJC fraud arrangements, including risk assessments and reporting. This creates uncertainty over responsibilities, increasing the risk that key counter-fraud work is not completed or evidenced effectively.

Risk management and work programme

16 The CJC's arrangements to recognise and manage fraud risks are underdeveloped. Its strategy states it should have a fraud risk assessment, action plan, and work programme. However, these are not in place. Nor does it have a fraud response plan. These would give the CJC a structured way to identify, manage, mitigate and respond to fraud, bribery and corruption risks. These arrangements would also reinforce the CJC's zero-tolerance stance on fraud and help staff and members understand its fraud risks.

17 The CJC's risk management methodology also does not consider fraud, bribery or corruption risks. Departmental risk registers cover general risks but do not prompt teams to consider fraud risks specifically. As a result, the CJC cannot demonstrate that it has systematically assessed where it is most exposed to fraud, corruption and bribery. Therefore, there is a greater chance fraud risks may go unnoticed and therefore unmanaged.

18 Internal Audit's annual work plans include audits on perceived areas of fraud risk. Examples include creditors, investments, and purchase cards. These audits found that the CJC has reasonable or robust internal controls, giving the CJC some assurance. However, it is not clear whether Internal Audit's work programme addresses all relevant fraud risks or is targeted at the areas of greatest risk.

19 The CJC participates in the National Fraud Initiative (NFI), a UK-wide data matching exercise run by the Cabinet Office to help public bodies identify possible fraud and error. This gives the CJC an important detection tool and can help it recover and prevent losses.

Governance

20 The CJC does not have clear goals or targets for its counter-fraud work. This means it is not able to:

- assess whether its counter-fraud arrangements are effective;
- monitor progress over time; or
- hold the right officers to account.

Without clear targets, counter-fraud activity may be inconsistent, difficult to measure, and less effective than it should be.

21 The Governance and Audit Committee has an important oversight and assurance role in the CJC's counter-fraud arrangements. It receives relevant information, such as the counter-fraud strategy, internal audit plans and reports, the corporate risk register, and whistleblowing policy. However, the Committee receives this information in different reports and at different meetings. Bringing counter-fraud work together into a single report or brief annual summary would give the Committee a clearer view of counter-fraud activity during the year and help it assess whether arrangements are effective.

Recommendations

R1 **Staff training and awareness**

1.1 The CJC needs to develop arrangements for staff to receive proportionate fraud awareness training to reinforce its zero-tolerance to fraud and remind staff of their responsibilities to help guard against fraud, bribery and corruption **(paragraph 6)**.

R2 **Pre-employment checks**

2.1 The CJC should review its arrangements for pre-employment checks to assure itself there is sufficient and proportionate consideration of counter-fraud in its recruitment process for roles identified as having a greater fraud, corruption, or bribery risk **(paragraph 8)**.

R3 **Register of interests**

3.1 The CJC needs to strengthen its arrangements to make sure all CJC members submit appropriate and timely register of interest forms to effectively manage potential conflicts of interest **(paragraph 11)**.

R4 Counter-Fraud, Corruption and Bribery strategy

4.1 The CJC should review its Counter-Fraud, Bribery and Corruption strategy to make sure it is relevant for the CJC's activities and to give it assurance it has strong operational, governance, and reporting arrangements for counter-fraud **(paragraph 12)**.

R5 Roles and responsibilities

5.1 The CJC needs to resolve the inconsistencies in roles and responsibilities of the Corporate Fraud team as stated in its Counter-Fraud, Bribery and Corruption strategy and the service level agreement with RCTCBC **(paragraph 15)**.

R6 Counter-fraud, corruption and bribery supporting arrangements

6.1 The CJC should strengthen its arrangements to make sure it has a consistent approach to identify, mitigate, and respond to fraud by developing:

- a fraud risk assessment;
- a fraud risk action plan;
- a fraud risk work programme; and
- a fraud response plan **(paragraph 16)**.

6.2 The CJC needs to strengthen its arrangements to make sure fraud, bribery and corruption are considered as part of its risk management methodology **(paragraph 17)**.

R7 Governance

The CJC needs to strengthen its counter-fraud governance arrangements by:

7.1 setting clear goals and targets to support its counter-fraud work to enable it to monitor progress and hold responsible officers accountable **(paragraph 20)**; and

7.2 providing the Governance and Audit Committee with an annual counter-fraud, bribery, and corruption activity update to help it understand the CJC's work on counter-fraud and to help it review the effectiveness of the CJC's counter-fraud arrangements **(paragraph 21)**.

Appendices

1 About our work

Scope of the audit

We looked at the CJC's counter-fraud arrangements. This included examining policies, procedures, and operational practices.

Fieldwork took place in July and August 2026.

Audit questions and criteria

Questions

The questions covered key areas including:

- leadership and culture;
- risk management and control framework;
- policies and training;
- capacity and expertise;
- tools and data;
- collaboration, and
- governance.

Criteria

We based our audit on recognised standards and statutory guidance, including:

- recommendations within the 'Raising our Game' Tackling Fraud in Wales, July 2020 report as a basis for proper counter-fraud arrangements;

- previous Audit Wales local audits into counter-fraud; and
- reflecting on the principles within the Audit Wales Counter-Fraud Arrangements in the Welsh Public Sector report, particularly key components of an effective counter-fraud culture.

Methods

We used two methods to gather evidence:

- document review – we examined CJC documents to help us understand its counter-fraud arrangements, its operations and compliance: and
- interviews – we held structured interviews with staff and members involved in the oversight and management of counter-fraud arrangements.

2 Background information on Corporate Joint Committees

The Welsh Government set up four Corporate Joint Committees (CJCs) to help strengthen regional collaboration between local authorities. The four CJCs are North Wales; Mid Wales; South-West Wales; and South-East Wales.

CJCs came into effect in April 2021 through the Local Government and Elections (Wales) Act 2021.

CJCs have statutory duties to develop Regional Transport Plans and Strategic Development Plans. They also have the power to enhance regional economic well-being and have statutory duties.

Between 2021 and 2024, the South-East Wales CJC transitioned from its previous City Deal status into a new public body.

At the time of this audit, the South-East Wales CJC was in its third year as a new public body.

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