

Report of the Executive Director – Core Services

AUDIT COMMITTEE – 23rd JANUARY 2019

CORPORATE WHISTLEBLOWING POLICY – ANNUAL REPORT

1. Purpose of the Report

- 1.1 This annual report presents the Audit Committee with a review of the activities and current issues regarding the Council's Corporate Whistleblowing Policy and supporting procedures.

2. Recommendation

- 2.1 It is recommended that the Audit Committee consider the report and the assurances it provides and commits to supporting the Council's overall counter fraud culture and the work of the Corporate Anti-Fraud Team.**

3. Background

- 3.1 The Council has had a Corporate Whistleblowing Policy since 2000. It has undergone a number of reviews and revisions to ensure it remains fit for purpose and meets best practice and guidance as may have emerged and changed over the years.
- 3.2 The last revision/refresh was undertaken in 2014 and considered by the Audit Committee in March 2015.
- 3.3 Whilst often in the news, the general area of 'whistleblowing' or confidential reporting is not one that is subject to major or regular changes. Any possible changes to the Policy or supporting arrangements are considered by the Corporate Whistleblowing Officers, with support from the Corporate Anti-Fraud Team on an annual basis.
- 3.4 It is timely however to undertake a more fundamental review of the Policy alongside the wider review of other ethical framework policies like the Employee Code of Conduct and the procedures for investigations. There are also a number of areas within the Policy where the job titles of officers require updating following restructures within the Council and changes to the Council's external auditors etc.
- 3.5 The specific whistleblowing arrangements are of course just one vehicle for concerns to be raised. The degree and extent of the use of the whistleblowing procedures is therefore not considered significant. What is important of course is ensuring there are a number of clear and understood routes for raising

concerns and that there are suitable resources and arrangements in place to ensure appropriate investigations are undertaken.

- 3.6 The wider review of other related policies and procedures will ensure that there is consistency across all related documents following a process of consultation and stakeholder input. The Audit Committee will be updated as this review progresses.

4. Whistleblowing Activity

- 4.1 As referred to above the whistleblowing arrangements are part of a wider framework of how employees, particularly can raise concerns. However, specifically in relation to the use of the whistleblowing arrangements, during 2017/18 and 2018/19 thus far there have been 6 instances of contact.
- 4.2 A brief analysis of those is that 2 remain subject to live investigations. Three were investigated but insufficient evidence could be obtained and therefore these matters were closed. One was investigated and remedial action was taken. This did not involve the conduct of a specific employee. Of the 6 referrals, 2 were made anonymously, one of which was not proven, the other being one of the live cases.
- 4.3 Whilst this level of activity may be regarded as low, it is difficult to speculate what would be an appropriate figure. There are several ways to judge the volume of referrals through this process; a low number could indicate on the one hand there are only a few instances of irregularity or concern that are being identified or that the process is not trusted. A higher number could indicate a higher level of trust with the process but an indication that there are more instances of irregularity occurring.
- 4.4 As part of the review of this and the other policies, Internal Audit is planning work in the new audit year around *culture* and testing the extent to which these policies are known about within the Council and particularly if they are trusted.
- 4.5 The approval of this and the other revised policies and procedures will be supported by a launch, a focus on raising awareness and ensuring easy access to guidance and advice. This also forms part of the work of the Corporate Anti-Fraud Team for 2019/20 in a further Fraud Awareness Week and the general emphasis on fraud prevention and deterrence.

5. Risk Management Considerations

- 5.1 Having effective arrangements for whistleblowing is a key element to any organisation's attempts to minimise the risk and incidence of fraud, corruption and other wrongdoing. Whilst fraud risk cannot be reduced to nil, having good

policies and procedures supported by proactive awareness and regular reviews can contribute considerably to minimising this risk.

- 5.2 Fraud and corruption risks feature within the Strategic Risk Register (SRR) and as such are recognised as an Authority-wide threat.

6. Financial Implications

- 6.1 There are no financial implications arising directly from this report. The very modest annual costs associated with publicity materials, the telephone 'hotlines' and dedicated P.O. box number are met within the Internal Audit budget.

- 6.2 There are however indeterminate but potentially significant financial implications arising from whistleblowing in terms of the issues raised and their specific consequences.

7. Employee Implications

- 7.1 As with the financial implications, there are no employee implications arising directly from this report.

- 7.2 There are of course major implications for employees, elected and co-opted members and all those likely to utilise the Policy and arrangements in fulfilling their duty to report concerns. In raising a concern in the public interest through this Policy, or in the other ways identified in the Policy, employees are afforded employment protection provided by the Public Interest Disclosure Act. Those individuals who become the subject of concerns raised will be themselves subject to the normal procedures around investigations and any subsequent disciplinary procedures.

8. Background Papers

Whistleblowing Policy and supporting guidance.

Contact Officers: Executive Director – Core Services and the Head of Internal Audit and Corporate Ant-Fraud as the Council's designated Corporate Whistleblowing Officers.

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