

STANDARDS COMMITTEE**6 February 2006****Attendance:**

Mr J Spokes (Independent Member - Chairman) (P)

Councillors:Cook (P)
Hoare
LipscombNelmes (P)
Quar (P)
Rees**Independent Members and Parish Representatives in attendance:**Prof R Johns (Independent Member)
Mr P Smith (Independent Member)
Mr R Scaiff (Parish Representative)
Mr G Sharman (Parish Representative)
Mr M Westwell (Parish Representative)**Others in attendance who did not address the meeting:**

Councillor Davies

776. APOLOGIES

Apologies were received from Councillors Hoare, Lipscomb and Rees, and Mr Llewellyn (Independent Member).

777. MINUTES**RESOLVED:**

That the minutes of the previous meeting of the Committee held on 21 November 2005 be approved and adopted.

778. PUBLIC PARTICIPATION

There were no questions asked or statements made.

**779. ANTI-FRAUD AND CORRUPTION POLICY
(Report ST48 refers)**

The Committee gave detailed consideration to the above report.

Members were anxious to ensure that the Policy presented a positive approach to this very important matter and also gave the right message to staff about how management would handle fraud and corruption allegations.

At the conclusion of debate, a number of amendments were made to the Policy which, for ease of reference, have been set out as tracked changes in Appendix 1 to the minutes.

RESOLVED:

1. That Cabinet be recommended to approve the amended version of the Anti-Fraud and Corruption Policy, as set out in Appendix 1 to the minutes.

2. That a report be submitted to a future meeting of the Committee regarding the possible options for appointing an external person to whom a 'Whistle Blower' could report his/her concerns, in addition to the internal post holders named in the Policy.

780. **FORUM OF INDEPENDENT MEMBERS OF STANDARDS COMMITTEES**
(Report ST50 refers)

RESOLVED:

That Professor Johns be thanked for the above report, which was noted.

781. **STANDARDS OF CONDUCT IN ENGLISH LOCAL GOVERNMENT – THE FUTURE**
(Report ST49 refers)

Members noted that the above document set out the Government's vision for a future comprehensive conduct regime for local authority members and employees. It resulted from the recommendations made earlier in the year by the Committee on Standards in Public Life (The Graham Committee), additional recommendations by the ODPM select committee and the many comments received on the review of the Code of Conduct undertaken by the Standards Board for England. The document also indicated the approach the Government was minded to follow on the conduct of employees, in particular the political restrictions which applied.

Members supported the recommended comments, particularly those which related to adequate funding to undertake the new task of preliminary investigation, and also the relaxation of declarations of interest, to allow Members to undertake the community advocate role more fully.

In addition, there was agreement that the mere membership of charities and clubs should not be a registerable interest, unless the individual occupied a position of management and/or financial control and the body operated within the area of the authority. There was also support to establish a private Register of Interests which, at the discretion of Monitoring Officer, could contain certain employment and membership details which would make the individual at risk from harassment if placed on the public Register.

RESOLVED:

That the Office of the Deputy Prime Minister be advised that the content of the document 'Standards of Conduct in English Local

Government – The Future’ is noted and the following comments are made:-

1. That the transfer of functions from the Board to local Standards Committees was supported, but such transfers should be adequately funded to prevent a repetition of problems which occurred when the Standards Board was first established (when it was not able to deal with the volume of cases it received). There would be further funding implications, especially for smaller authorities, if monitoring officers had a conflict of interest by having provided advice before a formal complaint was made, because such early involvement may mean that any subsequent investigation would have to be referred to a suitable person outside the authority.
2. That the proposal for an independent chairman of Standards Committees be supported, together with the local flexibility that is suggested for the composition of the rest of the Committee.
3. That the proposed relaxations to the provisions on personal and prejudicial interests in the Members Code of Conduct, particularly in relation to membership of other public bodies, council appointments on external voluntary organisations and in relation to planning matters, to better enable Members to undertake the community advocate role, be welcomed and introduced as soon as possible.
4. That, further to 3. above, the mere membership of charities and clubs should not be a registerable interest, unless the individual occupied a position of management and/or financial control and the body operated within the area of the authority.
5. That a private Register of Interests be established where, at the discretion of the Monitoring Officer, Members could place details of employment and membership of certain bodies which may lead to harassment of the individual, if placed on the public Register.

The meeting commenced at 6pm and concluded at 7.50pm.

Chairman



Anti-Fraud and Corruption Policy

The authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority.

1 Introduction

In following best practice (CIPFA / SOLACE guidance on Corporate Governance – issued 2001) and managing its responsibilities, Winchester City Council is determined to protect itself against fraud and corruption both from within the Council and from external sources. Winchester City Council already has in place a Constitution, which sets out Codes of Conduct for both Members and Employees; a Whistle Blowing Policy; and Financial Procedure Rules, which provide clarity about accountabilities of individuals, Members, Directors, etc. The Anti Fraud and Corruption Policy brings together these key elements. The Council is committed to an effective Anti-Fraud and Corruption Policy designed to:

- Ensure prevention.
- Facilitate detection and
- Identify a clear pathway for investigation and remedial action.

2 Key Message

1. The authority's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. In all their work, they will adhere to the following General Principles of Conduct set out in the Council's Constitution:-

Selflessness

Members and officers should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and Integrity

Members and officers should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Objectivity

Members and officers should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

Members and officers should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness

Members and officers should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal Judgement

Members and officers may take account of the views of others, including in the case of Members their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

Members and officers should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.

Duty to Uphold the Law

Members and officers should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members and officers should do whatever they are able to do, to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

Members and officers should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

2. The authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the authority with integrity and without thought or actions involving fraud and corruption.

Key Controls

The key controls regarding the prevention of financial irregularities are that:

- (a) The authority has an effective anti-fraud and anti-corruption plan and maintains a culture that will not tolerate fraud or corruption.
- (b) There are effective recruitment and selection procedures.
- (c) Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt.
- (d) High standards of conduct are promoted amongst Members by the Standards Committee and all Members and staff act with integrity and lead by example.
- (e) A register of interests is maintained and any hospitality or gifts are recorded.
- (f) Whistle blowing procedures are in place and operate effectively.
- (g) Legislation, including the Public Interest Disclosure Act 1998 and the Regulation of Investigatory Powers Act 2000 (RIPA), is adhered to.
- (h) The authority has a policy for combating benefit fraud and error and maintains its profile in the community for tackling benefit fraud.
- (i) The Authority maintains a Benefits Fraud Hotline.

~~The Council will take full action against~~ **fully investigate any Member or Officer acting outside these principles** ~~where there are no mitigating circumstances and will take appropriate action.~~

WINCHESTER CITY COUNCIL ANTI - FRAUD AND CORRUPTION RESPONSE PLAN

This document provides details on how Winchester City Council employees should respond to suspicion of fraud or corruption of any kind and raises awareness generally.

CONTENTS:

1. What constitutes fraud and corruption?
2. How the Anti Fraud and Corruption Response Plan fits into the overall authority approach on Corporate Governance
3. Detection
4. Reporting Suspicions Procedure
5. Investigation
6. Prevention
7. Recovery of losses
8. Advice on fraud awareness and what to look for
9. Training
10. Conclusion

1. What Constitutes Fraud and Corruption?

- 1.1. The term 'Fraud' is used to describe acts such as criminal deception, forgery, blackmail, corruption, theft, conspiracy, money laundering, concealment of material facts and collusion.
- 1.2. For practical purposes fraud can be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.
- 1.3. Corruption covers the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

2. How the Anti Fraud and Corruption Response Plan fits into the overall authority approach on Corporate Governance

- 2.1. The Anti Fraud and Corruption Response Plan aims to give staff and Members more information about the prevention and detection of fraud and how the Authority deals with fraud when it is discovered.

- 2.2. Well-framed internal regulations usually play a passive yet vital role in preventing or substantially reducing fraud. The Council's Financial Procedure Rules serve this purpose. In addition the Council has several policies and procedures which cover non-financial anti-fraud measures such as recruitment, conduct and discipline. The Code of Conduct sets out the local standards expected by Winchester City Council. The Green Book sets out national standards and has the following extract on official conduct:
- Employees will maintain conduct of the highest standard such that public confidence in their integrity is sustained.
 - Local codes of practice will be developed to cover the official conduct and the obligations of employees and employers.
- 2.3. The Council also has a Whistle Blowing Policy, which aims to provide avenues for staff to raise concerns without fear of reprisals or victimisation, and a policy for combating benefit fraud and error which specifically relates to Housing Benefit and Council Tax Benefit fraud.
- 2.4. The Council's Benefit Investigation Team will investigate benefits related matters. Internal Audit will investigate other Council related matters in association with Human Resources where it involves staff.

3. Detection

- 3.1. The array of preventative systems, particularly internal control systems within the Council, help to provide indicators of, and help to deter, any fraudulent activity. Where fraudulent activity is suspected, this will normally be investigated by Internal Audit / Human Resources working in cooperation with each other. It is not Internal Audit's or Human Resources responsibility to detect fraud; the role of Internal Audit is to check the adequacy of the controls within systems. However, the assessment of the risk of fraud is routinely taken into account in planning all internal audits. The role of Human Resources is to determine whether there is a case to be heard under the disciplinary procedure.
- 3.2. It is the responsibility of Directors and their managers to prevent and detect fraud and corruption. However, it is often the alertness of staff, Members and the public to the possibility of fraud and corruption which enables detection to occur. This allows appropriate action to take place when there is evidence that fraud or corruption may have been committed or is in progress.
- 3.3. Allegations can be a key source in the detection of fraud and as such the Council treats all allegations and complaints seriously and is committed to investigate all such matters.
- 3.4. The Council's Whistle Blowing Policy allows employees and Members to raise any concerns they may have in confidence and anonymously should they so wish.

Employees

3.5. On suspicion of Fraudulent Activity:

DO:

- Make an immediate note of your concerns.
- Convey your suspicions to someone with the appropriate authority and experience e.g. your manager, provided they are not implicated, or Internal Audit / Human Resources / Section 151 Officer.
- Deal with the matter promptly if you feel your concerns are warranted.

DON'T:

- Do nothing.
- Be afraid of raising your concerns.
- Approach or accuse any individual directly.
- Try to investigate the matter yourself.
- Convey your suspicions to anyone other than those with the proper authority.

Managers

3.6. There are some common sense guidelines issued by the Audit Commission that managers should apply in all cases where fraud or corruption is suspected in the workplace.

DO:

- Be responsive to staff concerns.
- Note details.
- Evaluate the allegation objectively.
- Deal with the matter promptly if you feel your concerns are warranted.
- Advise Internal Audit and Human Resources management immediately.

DON'T:

- Ridicule suspicions raised by staff.
- Approach or accuse any individuals directly.
- Try to investigate the matter yourself.

- Convey your suspicions to anyone other than those with the proper authority.

4. Reporting Suspicions Procedure

- 4.1. Council employees and Members should report to Internal Audit any concerns they may have regarding fraud and corruption, whether it relates to dishonest behaviour by Council employees, Members or by others. This includes reporting of any instances of money laundering (please refer to the Council's Treasury Management Manual, TMP9 Money Laundering).
- 4.2. Internal Audit has a duty to monitor instances of financial irregularities within the Council as a whole, and to report certain details to external bodies such as the Audit Commission. It also has a duty to ensure that appropriate investigations are carried out. For this reason Financial Procedure Rules require the immediate notification of a suspected or actual irregularity to the Internal Audit Manager. ~~It should be warned, however, that a maliciously false complaint may result in disciplinary / grievance proceedings being taken.~~
- 4.3. Internal Audit will consult with Human Resources regarding any allegations received and further investigatory work required concerning staff, and vice-versa if the allegation is received initially via Human Resources.
- 4.4. Management ~~has the bears the main responsibility~~ for ensuring that reasonable measures are taken to prevent fraud and corruption. Staff will usually report suspicions first to their manager. ~~However, if staff are uncomfortable about approaching their manager, there are alternatives. For example, Sometimes the Internal Auditor may be approached when management are suspected of being implementedimplicated in a malpractice.~~ In any event it is common practice for managers to request assistance and advice from Internal Audit / Human Resources on suspicion or discovery of fraud.
- 4.5. Internal Audit will be pleased to hear from you directly either by phone, in writing or by paying a visit. If you wish to remain anonymous you may but a name helps to validate the information being supplied.
- 4.6. ~~There is a genuine need for staff to be able to voice their concerns in confidence. The Council aims to provide such a facility. Note that we are not trying to encourage staff to spy on colleagues or to create an acrimonious environment of suspicion and counter claim. However, we are told by organisations such as Public Concern, that there is a genuine need for staff to be able to voice their concerns in confidence. We are anxious to be able to provide such a facility. However, it is not trying to encourage staff to spy on colleagues or to create an acrimonious environment of suspicion and counter-claim.~~
- 4.7. Personal visits can be made to the Internal Audit office ~~on any pretext~~ and discussions will be conducted in a meeting room or the audit office as appropriate.
- 4.8. If the suspicion is related to Housing Benefit or Council Tax Benefit then it should be reported to the Benefit Investigation Team (see Housing and Council Tax Benefit Anti-Fraud Policy). Your information will be treated

seriously and will not be considered too insignificant or in any other way unimportant, and will be investigated fully. Again all information received is treated in the strictest confidence.

- 4.9. On ~~suspecting~~ discovering fraud or theft, try to avoid touching anything in the area where funds or data were located; seal the area; don't attempt to examine records or any remaining funds and then contact us.
- 4.10. Alternatively, any person with a concern may use the Council's Whistle Blowing Policy.
- 4.11. The Monitoring Officer (City Secretary and Solicitor) shall report to the Standards Board nationally any concern with regard to Members which is thought to require consideration of disciplinary action.
- 4.12. Where investigation reveals evidence of suspected criminal activity with regard to fraud and corruption the Section 151 Officer, in consultation with the relevant Director, ~~may~~ will normally refer the matter to the Police. Where an employee is involved, the Section 151 Officer will first consult with the employee's Director, and, where appropriate, the Chief Executive, Director of Human Resources and the Monitoring Officer (City Secretary and Solicitor).
- 4.13. Contact with the Police in fraud cases will normally be co-ordinated by the Internal Audit Manager.
- 4.14. The Council will do all it can to recover monies or assets misappropriated by employees or others as a result of dishonest behaviour. (See Section 8 on Recovery of Losses).

5. Investigation

- 5.1. Investigation into suspected fraudulent activity will normally be carried out by Internal Audit in co-operation with Human Resources and will liaise as appropriate with the Chief Executive, Director of Finance, other Directors and the Police. Internal Audit / Human Resources may not undertake covert monitoring without the authorisation of a Director.
- 5.2. All referrals are treated in the strictest confidence, treated seriously, fully investigated and the outcome reported to the informant.
- 5.3. On receiving information from a member of staff, a preliminary interview to determine whether an investigation is warranted will be conducted.
- 5.4. Where the criminal law appears to have~~has~~ been broken, Internal Audit will refer, with the agreement of the Chief Executive, the case to the Police and continue to assist them throughout their investigation. The Police or the Council may bring about a prosecution. Where an apparent irregularity arises between an employee and a third party the wishes of the third party concerning police involvement should be carefully considered and respected. Normally police involvement should only arise if that party is prepared to agree to it, but there may be occasions when the employer considers that it is obliged to involve the Police.

- 5.5. In carrying out such work, strict working practices are required to be followed, which include full observation of authorisations and protocols put in place to ensure that any actions are carried out both fairly and lawfully, safeguarding the rights of privacy owed to the individual. This is governed by legislation including:
- Data Protection Act (1998)
 - Human Rights Act (1998)
 - Regulation of Investigatory Powers Act (2000)
 - Freedom of Information Act (2000)
- 5.6. In all cases of misuse reported to Internal Audit / Human Resources where RIPA applies, a reasoned decision making process is required to be documented, showing the extent of any adverse impact on the employee in conducting covert monitoring, and ensuring that this is properly considered and justified by the benefit to the Council. In such cases, any decision to go ahead with the exercise is subject to the independent authorisation of a Director to undertake RIPA surveillance, and is strictly time limited. A central file is kept of all authorisations as required by the Act.
- 5.7. Internal audit and Human Resources staff have a role in monitoring the activities of employees in the event of any allegations of impropriety being reported. This could involve the covert monitoring of activities using electronic surveillance equipment or the monitoring/interception of electronic communications (e.g. e-mail, Internet, telephone usage). Monitoring is a recognised component of the employment relationship and this is well publicised within the Council's ICT Security and Conduct policy regarding the acceptable use of its electronic and ICT systems. Within this document clear warning is given that any unacceptable use or breach of policy may result in disciplinary action being taken against the person responsible.
- 5.8. Managers of the Authority will also:
- Co-operate fully with Internal Audit, Human Resources and the Police during any investigation.
 - Implement the Council's Disciplinary Procedure, where appropriate.
 - Take prompt action to remedy any weaknesses discovered in internal control procedures.
 - Deal swiftly, fairly and firmly with those who offend against the Council.
- 5.9. Internal Audit / Human Resources in respect of any case of suspected fraud or corruption discovered by or referred to them, will:
- Deal promptly with the matter in accordance with the disciplinary procedures.
 - Immediately liaise with each other and jointly decide on an appropriate course of action.

- Notify the relevant Director.
- Maintain full documentation of all evidence received.
- Ensure that the evidence is sound and adequately supported.
- Report findings to the Director of Finance and also to the Chief Executive, where appropriate.
- With the agreement of the Chief Executive, refer the matter to the Police, as appropriate.
- Assist in any disciplinary proceedings.

5.10. Where the suspicion involves a Member the Monitoring Officer will be notified immediately.

6. Prevention

- 6.1. There are many ways of preventing fraud and corruption ~~happening~~. The Council has adopted the following preventative measures including:
- 6.2. An adequate and effective internal audit service is provided to carry out an on-going review of financial and other systems in use and to test those systems for weaknesses in internal controls. In carrying out this work Internal Audit will have regard to the relative risk associated with particular systems as agreed with the Council's external auditor.
- 6.3. The Council's Recruitment and Selection procedure requires that references should always be taken up when recruiting posts externally. This is intended amongst other reasons to prevent people with a history of dishonest behaviour being employed by the Council in positions of trust. Human Resources check qualification certificates with the issuing bodies for key posts in the Council to ensure validity. Human Resources will also carry out Criminal Records Bureau checks where appropriate in accordance with the Council's document titled Children, Young People and Vulnerable Adults Protection, Policy and Procedures.
- 6.4. Employees who hold professional, trade or other appropriate qualifications are expected to comply with codes of conduct issued by the organisations of which they are members.
- 6.5. By creating an organisation that actively supports an anti-fraud culture through its policies and procedures, by supporting them and actively advocating them to staff/colleagues.
- 6.6. Consider the risks to the Authority before designing a system or making a decision, consider how to minimise that risk/control the risk. (Internal Audit provides this advice when carrying out an audit assignment and can assist if you are undergoing a change in systems).
- 6.7. By ensuring that no one single person controls an operation from start to finish and can carry out an income or purchasing transaction on their own (separation of duties).

6.8. Good systems design, ensuring that systems are effective and efficient and that staff understand their responsibilities for control where the system is relying on that control as a prevention measure and the monitoring of the adherence to this.

6.9. Responsibilities should be clearly set out and allocated to individual senior managers. It is important that management at all levels within the Council are alert to potential problems in their work area and that adequate and effective safeguards are in place to prevent financial irregularities. However, managers should also satisfy themselves that checks are in place at the appropriate levels, so that in the event of a breach, any irregularity would be picked up promptly, so minimising any loss to the Council.

~~6.10. Wherever possible contingencies should be made for unforeseen events, especially those that make it difficult for a regulation to be followed. The reasons for waiving regulations should be reported so actions can be seen to be transparent.~~

~~6.11.6.10.~~ Specific preventive fraud advice can be given and often is when your service is audited. Make the most of your audit by drawing attention to areas of risk or concern. If your service requires additional assistance because you are changing your working practices Internal Audit will be pleased to assist in giving fraud prevention advice. Please contact Internal Audit through your Director.

~~6.12.6.11.~~ The Officers' Code of Conduct makes it clear that the conduct of its employees should be of the highest possible standard and that dishonest behaviour by employees will not be tolerated by the Council.

~~6.13.6.12.~~ The Members' Code of Conduct similarly sets out a recommended standard of conduct in carrying out their duties together with requirements to disclose details of Personal / Prejudicial Interests. The Authority has in place a Standards Committee that promotes and maintains high standards of Member conduct and assists Members to observe the Code of Conduct.

~~6.14.6.13.~~ The Council's Whistle Blowing Policy gives protection to anyone with genuine concerns which they wish to report but feel that they cannot follow normal channels.

~~6.15.6.14.~~ The Constitution provides for executive decisions to be made in an open and accountable manner.

~~6.16.6.15.~~ Financial Procedure Rules prescribe the minimum standards for financial controls that must be in place within all processes in all Directorates of the Council.

~~6.17.6.16.~~ It is the responsibility of each Director to ensure that employees are aware of the measures set out above, that their Directorate complies with them and that sound financial controls do exist within their financial systems and procedures.

~~6.18.6.17.~~ Directors should also ensure that guidelines, rules or other written procedures exist and are complied with for specific activities at risk from fraud and corruption.

~~6.19.6.18~~ Each individual employee and Member is responsible for observing these rules and codes. This will go a long way to preventing and detecting improper practice.

7. Recovery of Losses

- 7.1. The Council will normally seek to recover the losses incurred as a result of fraud and corruption.
- 7.2. The Council's Risk and Insurance Officer should be informed as soon as possible of any potential loss. Details of the case should also be given together with an indication of what recovery action is being attempted.
- 7.3. If anyone under investigation offers money in settlement of any losses to the Council, it should be made clear that any monies offered will be accepted on the following terms:
- Without prejudice to any other action the Council may wish to take.
 - That acceptance is only in respect of losses identified to date.
 - The Council reserves the right to seek recovery of any further losses that may come to light in the future.
- 7.4. Claims under the Council's insurance arrangements in fraud and corruption cases should be regarded as a "last resort", and will only be instigated once all other avenues of recovery have been fully explored.

8. ~~Advice on Fraud Awareness and What to Look For~~

- 8.1. ~~Being aware of w~~What may motivate a person to commit a fraudulent act is not always easy to determine. Experience and surveys carried out of known frauds show that motivation falls into the following categories:
- Personal financial problems.
 - A corporate ethos that is conducive to corruption ("everyone else is doing it – so I can" syndrome).
 - Rivalry or co-operation problems caused by malice or low staff morale.
 - Staff feeling they are under-rewarded.
 - Egotistical reasons - staff who want to beat the system.
 - Peer pressure.
 - Strong religious or political beliefs.
- 8.2. Opportunity can be created by all or some of the following circumstances:
- Changes in systems (procedures, computers, location etc.).
 - Changes in personnel (new management, new staff).

- A position of trust.
- The ability to carry out a transaction from start to finish with no other intervention or accountability (e.g. being able to make a payment, cancel a debt etc).
- Lack of audit trail - so cannot trace who committed a fraud.
- An organisational culture that does not support accountability and control.

9. Training

- 9.1. The Council recognises that the success and credibility of its Anti-Fraud and Corruption Policy will depend largely on how effectively it is communicated throughout the organisation and beyond. To this end, details of the Policy will be provided to all Members and all staff and will be included on induction. The Policy will also be shown on the Council's web page and be available on the Intranet. It is managers' and individuals' responsibility to ensure that staff refresh their knowledge of the policies and procedures as necessary.
- 9.2. The Council supports the concept of induction training, particularly for officers involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The possibility of disciplinary action against officers who ignore such training and guidance is clear.
- 9.3. The officers involved in the review of internal control systems and investigative work should be properly and regularly trained. The training plans of Internal Audit will reflect this requirement.
- 9.4. It is the responsibility of Directors to communicate the Anti-Fraud and Corruption Policy to their staff and to promote a greater awareness of fraud within their directorates.

10. Conclusion

- 10.1. The Council will maintain a continuous overview of these arrangements and, through the Section 151 Officer, will ensure in particular a regular review of Financial Procedures, Financial Management and Audit Arrangements.
- 10.2. This Policy Statement will also be subject to regular review at least every other year.

Whistle Blowing Policy

1. PREAMBLE

- 1.1. Employees or Members are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2. The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
- 1.3. This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. The Whistle Blowing Policy is intended to encourage and enable employees and Members to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside.
- 1.4. The policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders, etc. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, Sheltered Housing Schemes.
- 1.5. These procedures are in addition to the Council's complaints, grievance, bullying & harassment policies and procedures and other statutory reporting procedures applying to some departments.
- 1.6. This policy is supported by Unison and is based on the guidance issued by the former Local Government Management Board and the IDeA.
- 1.7. Members are reminded that if they have reasonable grounds to believe that another Member has been in breach of the Model Code of Conduct that they have the duty to report the matter to the Standards Board. Advice may be sought from the City Secretary and Solicitor as Monitoring Officer in these circumstances.

2. AIMS AND SCOPE OF THIS POLICY

2.1. This policy aims to:

- Encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice.
- Provide avenues for you to raise those concerns and receive feedback on any action taken.
- Ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied.

- Reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

2.2. There are existing procedures in place to enable staff to lodge a grievance relating to your own employment. The Whistle Blowing Policy is intended to cover major concerns that fall outside the scope of other procedures. These major concerns include:

- Conduct which is an offence or a breach of law.
- Disclosures related to miscarriages of justice.
- Health and safety risks, including risks to the public as well as other employees.
- Damage to the environment.
- The unauthorised use of public funds.
- Possible fraud and corruption (see the anti fraud and corruption plan).
- Sexual or physical abuse of clients, or
- Other unethical conduct.

2.3. Thus, any serious concerns that you have about any aspect of service provision or the conduct of officers or Members of the Council or others acting on behalf of the Council can be reported under the Whistle Blowing Policy. This may be about something that:

- Makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- Is against the Council's Constitution and policies; or
- Falls below established standards of practice; or
- Amounts to improper conduct.

2.4. This policy does not replace the corporate complaints procedure or other procedures operated by Human Resources. The intention is to provide an opportunity to raise issues of concern by another route, if employees feel unable to use those existing procedures.

2.5. It also does not replace any duty that Members have under the Model Code of Conduct to report a breach of the Code by another Member to the Standards Board if there are reasonable grounds.

3. SAFEGUARDS AGAINST HARASSMENT OR VICTIMISATION

3.1. The Council is committed to good practice and high standards and wants to be supportive of employees and Members.

3.2. The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because it is your responsibility to the Council and those for whom you are providing a service.

3.3. The Council will not tolerate any harassment or victimization (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.

3.4. Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

4. CONFIDENTIALITY

4.1. All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

5. ANONYMOUS ALLEGATIONS

5.1. This policy encourages you to put your name to your allegation whenever possible. Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.

This policy encourages you to put your name to your allegation whenever possible. In exercising this discretion the factors to be taken into account would include:

- The seriousness of the issues raised.
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

5.2. If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

5.1.5.3.

~~6. Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.~~

~~7. In exercising this discretion the factors to be taken into account would include:~~

~~8. The seriousness of the issues raised.~~

~~9. The credibility of the concern; and~~

~~10. The likelihood of confirming the allegation from attributable sources.~~

11. UNTRUE ALLEGATIONS

~~12. If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.~~

7.6. HOW TO RAISE A CONCERN

7.1.6.1. As a first step, staff should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. If staff believe that your management is involved, you should approach one of the following:

- Sheila Boden – Director of Finance and Section 151 Officer
- Stephen Whetnall - City Secretary and Solicitor as Monitoring Officer
- Alison Gavin – Director of Human Resources
- John Cummins – Internal Audit Manager

7.2.6.2. A Member should raise concerns with the Chief Executive, the City Secretary and Solicitor or the Director of Finance.

7.3.6.3. Concerns may be raised verbally or in writing. Those who wish to make a written report should use the following format:

- The background and history of the concern (giving relevant dates);
- The reason why you are particularly concerned about the situation.

7.4.6.4. The earlier you express the concern the easier it is to take action.

7.5.6.5. Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.6.6.6. Obtain advice/guidance on how to pursue matters of concern from any of the officers set out in paragraph 7.1 above

7.7.6.7. You may wish to consider discussing your concern with a colleague or trade union representative first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.8.6.8. You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

8.7. HOW THE COUNCIL WILL RESPOND

8.1.7.1. The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2.7.2. Where appropriate, the matters raised may:

- Be investigated by Management, Internal Audit, Human Resources or through the grievance or disciplinary process
- Be referred to the police
- Be referred to the external auditor
- Be the subject of an independent inquiry

| 8.3.7.3. The individual with whom you raise your concern will obtain advice from the City Secretary and Solicitor as to how the matter should be investigated.

| 8.4.7.4. In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate, and, if so, what form it should take. The overriding principle that the Council will have in mind is the public interest. Concerns or allegations that fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

| 8.5.7.5. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

| 8.6.7.6. Within ten working days of a concern being raised, the person with whom you raised the concern will write to you:

- Acknowledging that the concern has been received.
- Indicating how we propose to deal with the matter.
- Giving an estimate of how long it will take to provide a final response (where possible).
- Telling you whether any initial enquiries have been made.
- Supplying you with information on support mechanisms, and
- Telling you whether further investigations will take place and if not, why not.

| 8.7.7.7. The amount of contact between you and the officers considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.

| 8.8.7.8. Where any meeting is arranged, off-site if you so wish, you can be accompanied by a union or professional association representative or a friend.

| 8.9.7.9. The Council will take steps to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

| 8.10-7.10. The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

| 9.8. HOW THE MATTER CAN BE TAKEN FURTHER

| 9.1.8.1. This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- The external auditor.
- Your trade union.
- Your local Citizens Advice Bureau.
- Relevant professional bodies or regulatory organizations.
- A relevant voluntary organization.
- The Police.

| 9.2.8.2. If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with your contact point about that, or with the City Secretary and Solicitor.