



**Haringey** Council

Agenda item:

**[No.]**

**Audit Committee**

**On 14 September 2010**

Report Title: Whistleblowing – implementation and use of the Council policy in 2009/10

Report authorised by: Director of Corporate Resources

*J. Power 6/9/10*

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

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Wards(s) affected: All

Report for: Information

**1. Purpose of the report**

1.1 To advise the Audit Committee of the operation and use of the Council's Whistleblowing policy in 2009/10.

**2. State link(s) with Council Plan Priorities and actions and/or other Strategies:**

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing referrals made under the Council's Whistleblowing policy and undertaking investigations, where appropriate, to reduce risks and improve controls.

**3. Recommendations**

3.1 That the Audit Committee notes the content of the report.

**4. Reason for recommendation(s)**

4.1 The Audit Committee is responsible for monitoring council policies on Whistleblowing and Anti-fraud and Corruption as part of its Terms of Reference. In order to facilitate this, the Audit Committee reviews and approves the Council's policies for these areas.

4.2 This report provides further information on the implementation and usage of the

Council's Whistleblowing policy in 2009/10.

## **5. Other options considered**

5.1 Not applicable

## **6. Summary**

6.1 The Head of Audit and Risk Management acts as one of the Council's lead officers in relation to the Whistleblowing policy. This report outlines the implementation and use of the Council's policy during 2009/10.

## **7. Head of Legal Services Comments**

7.1 The Head of Legal Services has been consulted in the preparation of this report, and in noting that the contents are informative, advises that there are no direct legal implications arising from the report.

## **8. Chief Financial Officer Comments**

8.1 Members should note that the Council's Whistleblowing policy enables Haringey to comply with Chartered Institute of Public Finance and Accountancy's (CIPFA) 2006 Code of Practice which requires organisations to ensure that there are appropriate processes in place for the reporting and investigation of allegations of fraud and corruption.

8.2 The policy has regularly been reviewed since its introduction and conforms to the best practice guidance from Public Concern at Work, the independent charitable organisation which advises on whistle-blowing and governance matters.

8.2 There are no direct financial implications arising from this report.

## **9. Head of Procurement Comments**

9.1 Not applicable

## **10. Equalities and Community Cohesion Comments**

10.1 This report deals with how the Whistleblowing policy is used within the Council. It is best practice for local authorities to implement and publicise a Whistleblowing policy which will allow employees to report and raise concerns. Providing opportunities to report concerns can enable the council to improve conditions for those who live and work in the borough.

## **11. Consultation**

11.1 No external consultation was required or undertaken in the production of this report. Consultation has been undertaken with Human Resources in the development of the Whistleblowing policy and to ensure that all reports made under the policy are appropriately recorded.

## **12. Service Financial Comments**

12.1 There are no direct financial implications arising from this report. The costs of ensuring the Council complies with the Whistleblowing policy are contained and managed within the Audit and Risk Management and relevant service departments' revenue budgets.

## **13. Use of appendices**

13.1 N/A

## **14. Local Government (Access to Information) Act 1985**

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

## **15. Background**

15.1 As part of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2006 Code of Practice, Haringey needs to ensure that there are appropriate processes in place for the reporting and investigation of allegations of fraud and corruption.

15.2 The Council fulfils these requirements by having an Anti-fraud and corruption strategy and Fraud Response Plan. In addition, the Council has a Whistleblowing Policy which complements and supports the anti-fraud and corruption strategy. These policies and strategies are reviewed and approved by the Audit Committee on a regular basis. The last update was approved at the Audit Committee meeting on 22 July 2008.

15.3 The Whistleblowing policy is within the remit and ownership of the Council's Monitoring Officer, and is drawn up in consultation with Human Resources and Audit and Risk Management. The Head of Audit and Risk Management is responsible for recording any concerns or reports received under the Whistleblowing policy and liaises with the Head of Human Resources and directorates across the Council to ensure that the policy is complied with.

15.4 As part of the Council's external audit review of probity and propriety in 2008 it was recommended that, as good practice, an annual report of the use of the Council's Whistleblowing policy should be presented to the Audit Committee, as the member body responsible for reviewing this area of activity. The last report was presented to the Committee at its meeting on 30 July 2009.

## **16. Implementation and use of the policy**

16.1 The Council's Whistleblowing policy has been in place since November 1998, following the publication of the Public Interest Disclosure Act 1998 and central government guidance which stated that every local authority should instigate such a policy to enable workers to raise concerns about malpractice confidentially inside and, if necessary, outside the organisation. The Council's Whistleblowing policy applies to all Council employees and any member of staff can raise concerns using the policy.

- 16.2 The Council's Whistleblowing policy has been regularly reviewed since its introduction and conforms to the best practice guidance from Public Concern at Work, the independent charitable organisation which advises on whistle-blowing and governance matters.
- 16.3 The Whistleblowing policy is published on the Council's intranet site. In addition, The Council utilises its corporate newsletters – Smart Talk and Team Brief – on a regular basis to:
- Remind all staff that the Council has a Whistleblowing policy;
  - Advise what the Whistleblowing policy covers;
  - How to report or raise concerns; and
  - What the Council will do to respond to any concerns raised in good faith.
- 16.4 In addition to the annual articles in Smart Talk and Team Brief, the Chief Executive writes to all staff individually on a regular basis to remind staff of the Council's expectations in respect of standards of behaviour and fraud and corruption and how to report and raise concerns. The latest reminder was sent to all staff in July 2009.
- 16.5 The Whistleblowing policy applies internally to all Council employees. The Council's corporate anti-fraud and corruption policy has a wider remit and applies externally as well as internally within the Council and incorporates the email and telephone reporting facility 'Fraudcall'. Use of the Fraudcall facility is reported to the Audit Committee on a quarterly basis, as part of the routine progress reporting process. During 2009/10, 68 referrals were made via the Council's email reporting facility and details of the types and numbers of referrals were reported to the Audit Committee on 24 June 2010, as part of the Annual Internal Audit Report.
- 16.6 All referrals made via Fraudcall are reviewed by internal audit and either passed to the relevant department to enable further review, or investigated by internal audit. Reports made anonymously via Fraudcall and anonymous allegations sent in from outside the organisation may have been made by staff, but because the concerns and allegations have been raised anonymously, it was not possible to confirm the source. However, use of Fraudcall increased overall from 43 referrals in 2008/09 to 68 referrals in 2009/10.
- 16.7 During 2009/10, the Council's Whistleblowing policy was formally used by staff on two occasions. The referrals related to management, rather than fraud or financial irregularity, issues and were therefore investigated by officers from outside Audit & Risk Management. During 2008/09, the Whistleblowing policy was not used by any Council officer.