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<b>Report to:</b>	Audit and Governance	<b>Date of Meeting:</b>	10 September 2014
<b>Subject:</b>	Internal Audit Report and Confidential Reporting Policy	<b>Wards Affected:</b>	None
<b>Report of:</b>	Jill Coule, Head of Corporate Legal Services		
<b>Is this a Key Decision?</b>	No	<b>Is it included in the Forward Plan?</b>	No
<b>Exempt/Confidential</b>	No		

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**Purpose/Summary**

To confirm that the Confidential Reporting Policy will be reviewed in line with the recommendations made by Warrington Borough Council.

Warrington BC agreed to share the latest version of the Public Concern at Work policy which is annexed to this report.

**Recommendation(s)**

Members to consider whether they wish to form a small task group to assist officers with the review of this important policy and report back to the meeting of Audit and Governance in December 2014.

**How does the decision contribute to the Council's Corporate Objectives?**

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community			
2	Jobs and Prosperity			
3	Environmental Sustainability			
4	Health and Well-Being			
5	Children and Young People			
6	Creating Safe Communities			
7	Creating Inclusive Communities			
8	Improving the Quality of Council Services and Strengthening Local Democracy			

**Reasons for the Recommendation:**

Whistleblowing/Confidential Reporting Policy underpins good governance of the Council. It is important that the policy is accessible to those that may have cause to use it. Setting up a working group will assist with the revision of the policy in accordance with the recommendations made by Warrington Borough Council.

If members decide to adopt the working group, they may also have some views on how the policy can be promoted to staff and general awareness raised.

**Alternative Options Considered and Rejected:**

- To not set up the working group.
- For officers to make recommendations to the next meeting of the Audit and Governance Group.

**What will it cost and how will it be financed?**

**(A) Revenue Costs - Nil**

**(B) Capital Costs - Nil**

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b>	
There are no financial implications arising from the contents of this report	
<b>Legal</b>	
Review of the policy will assist the Council to ensure that it meets its responsibilities in accordance with the Public Interest Disclosure Act 1998 (as amended)	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact of the Proposals on Service Delivery:**

Nil

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT (FD 3153/14) have been consulted and any comments have been incorporated into the report.

Head of Corporate Legal Services (LD 2445/14) is the author of the report

**Implementation Date for the Decision**

Immediately following the Committee meeting.

**Contact Officer:** Jill Coule, Head of Corporate Legal Services

**Tel:** 0151 934 2031

**Email:** [jill.coule@sefton.gov.uk](mailto:jill.coule@sefton.gov.uk)

**Background Papers:**

There are no background papers available for inspection

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## **1. Introduction/Background**

- 1.1 A review was undertaken as part of the Internal Audit Plan approved by the Audit and Governance Committee on 27 March 2013 to review the Council's Confidential Reporting Policy. This policy is commonly referred to as Whistleblowing. An internal audit report has been prepared by Warrington Borough Council. Warrington have had their own policies reviewed by Public Concern at Work, and as a result have expertise to share with Sefton in this regard.
- 1.2 Internal Audit fieldwork took place between March and July 2014.
- 1.3 The Audit Opinion has rated the Council's confidential reporting arrangements as *fair* which means there are some weaknesses in key areas which will not impact greatly on financial controls with the areas examined. It also means that there are some areas of non compliance but the weaknesses identified will not contribute to an overall failure of the system.

## **2 Audit Report Recommendations**

- 2.1 The report has made a number of recommendations. There are 0 Critical recommendations, 2 High recommendations and 9 Medium recommendations.
- 2.2 The main recommendation is that the Authority adopts and customises, where required, the Public Concern at Work model whistleblowing policy which is annexed to this report. This is recognised as good practice in this sensitive policy area. The customisation should take into account the recommendations made in the audit report in relation to the content and style of the current policy (Recommendation 1).
- 2.3 The Authority should consider setting up a group of 'trusted individuals' who would be the second line of contact for referrals after the employee's line manager.

Options could include head of Audit, Solicitor in the Legal Department, or the Council's nominated Employee Support Workers (Recommendation 2).

- 2.4 Sefton will be required to update the Confidential Reporting Policy to reflect the changes and additional requirements arising from the Enterprise and Regulatory Reform Act 2013 which is now in force (Recommendation 3). Legal and Personnel would then ensure that all employees and officers are briefed regarding the changes.
- 2.5 Sefton will be required to review current training arrangements and consider implementing whistleblowing training for new staff and also consider the use of e-learning modules as a method of training delivery (Recommendation 4).
- 2.6 The Confidential Reporting Policy is to be made available on the external internet in addition to the access currently provide on the intranet. This will mean agency workers or contractors will have access to the policy. Sefton should also consider whether an online reporting form and 24 reporting telephone line could be introduced. (Recommendations 5 and 6).
- 2.7 As the Code of Practice recommends regular publicity via intranet messages and posters, the Authority should consider promoting the policy further (Recommendation 7). This publicity should demonstrate Sefton's commitment and openness and encourage staff to raise concerns at the earliest opportunity.
- 2.8 As there has been relatively low reporting in terms of whistleblowing referrals the Authority should obtain feedback on the Council's whistleblowing arrangements, for example by, using a dedicated survey or including questions in a general survey (Recommendation 8)
- 2.9 As there should be a systematic process for reporting on whistleblowing Sefton should ensure there are processes in place for gathering all relevant information on whistleblowing referrals. The information should be reporting to Audit and Corporate Governance Committee. This could be via regular fraud reports or as a separate item (Recommendation 9)

- 2.10 Other policies should refer to the Confidential Reporting Policy to assist staff in knowing where referrals should be made to. The Dignity at Work, Disciplinary and Grievance procedure should be reviewed to ensure the Confidential Reporting Policy is referred to (Recommendation 10).
- 2.11 Whistleblowing referral can related to an allegation of financial irregularity so we should liaise with Sefton's Internal Audit team to ensure that the Fraud Response Plan is developed in line with the whistleblowing procedures (Recommendation 11).
- 2.12 Recommendations 1 and 3 should be given high priority and the remaining 9 recommendations have been categorised as medium priority.

### 3 **Next Steps**

- 3.1 In light of these recommendations the Authority can form a small member task group to assist officers with the review of this important policy so that this can be reported back to the meeting of Audit and Governance in December 2014.
- 3.2 Following completion of the first recommendation, as this policy is included in the Council's constitution Council would need to formally adopt this policy in 2015.

# PCaW DRAFT MODEL WHISTLEBLOWING POLICY

*NOTE FOR ORGANISATIONS: for effective implementation of this policy, please consult the Public Concern at Work Best Practice Guide for Subscribers.*

## INTRODUCTION

All of us at one time or another have a concern about what is happening at work. Usually these are easily resolved. However, when the concern feels serious because it is about a possible fraud, danger or malpractice *[insert here the particular risks your organisation faces or the issues you want people to raise]* that might affect others or the organisation itself, it can be difficult to know what to do.

You may be worried about raising such a concern and may think it best to keep it to yourself, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, managers or to the organisation. You may decide to say something but find that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.

The Board and Chief Executive of *[organisation name]* are committed to running the organisation in the best way possible and to do so we need your help. We have introduced this policy to reassure you that it is safe and acceptable to speak up and to enable you to raise any concern you may have about malpractice at an early stage and in the right way. Rather than wait for proof, we would prefer you to raise the matter when it is still a concern.

This policy applies to all those who work for us; whether full-time or part-time, employed through an agency or as a volunteer. If you have a whistleblowing concern, please let us know.

If something is troubling you which you think we should know about or look into, please use this policy. If, however, you wish to make a complaint about your employment or how you have been treated, please use the grievance policy or bullying / harassment policy - which you can get from your manager or personnel officer. *[If you have a concern about financial misconduct or fraud, please see our Anti-Fraud Policy.]* This Whistleblowing Policy is primarily for concerns where the public interest is at risk, which includes a risk to the wider public, customers, staff or the organisation itself.

**If in doubt - raise it!**

## OUR ASSURANCES TO YOU

### Your safety

The Board and Chief Executive are committed to this policy. Provided you are raising a genuine concern, it does not matter if you are mistaken. Of course we do not extend this assurance to someone who maliciously raises a matter they know is untrue.

If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering any form of reprisal as a result. The harassment or victimisation of anyone raising a genuine concern will be viewed as a disciplinary matter.

### Your confidence

With these assurances, we hope you will raise your concern openly. However, we recognise that there may be circumstances when you would prefer to speak to someone confidentially first. If this is the case, please say so at the outset. If you ask us not to disclose your identity, we will not do so without your consent unless required by law. You should understand that there may be times when we are unable to resolve a concern without revealing your identity, for example where your personal evidence is essential. In such cases, we will discuss with you whether and how the matter can best proceed.

Please remember that if you do not tell us who you are (and therefore you are raising a concern anonymously) it will be much more difficult for us to look into the matter. We will not be able to protect your position or to give you feedback. Accordingly you should not assume we can provide the assurances we offer in the same way if you report a concern anonymously.

If you are unsure about raising a concern you can get independent advice from Public Concern at Work (see contact details under Independent Advice).

## HOW TO RAISE A CONCERN INTERNALLY

Please remember that you do not need to have firm evidence of malpractice before raising a concern. However we do ask that you explain as fully as you can the information or circumstances that gave rise to your concern.

### Step one

If you have a concern about malpractice, we hope you will feel able to raise it first with your manager or team leader. This may be done verbally or in writing.

### Step two

If you feel unable to raise the matter with your manager, for whatever reason, please raise the matter with:

**[Insert name and contact details of appropriate senior managers across a number of key functions (depending on the size of your organisation)]**

These people have been given special responsibility and training in dealing with whistleblowing concerns.

If you want to raise the matter confidentially, please say so at the outset so that appropriate arrangements can be made.

### Step three

If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact

**[Chief Executive and/or Company Secretary and /or Board member (NED, Chair, Audit Committee) and contact details]**

**NB** *Smaller organisations may decide to combine stages two and three.*

### For NHS bodies and non-departmental public bodies

If you prefer you may raise the matter directly with our sponsoring department.

**[Name]**

**[Contact details]**

## HOW WE WILL HANDLE THE MATTER

We will acknowledge receipt of your concern within **[7 days or insert other reasonable timeframe]**. We will assess it and consider what action may be appropriate. This may involve an informal review, an internal inquiry or a more formal investigation. We will tell you who will be handling the matter, how you can contact them, and what further assistance we may need from you. If you ask, we will write to you summarising your concern and setting out how we propose to handle it and provide a timetable for feedback. If we have misunderstood the concern or there is any information missing please let us know.

When you raise the concern it will be helpful to know how you think the matter might best be resolved. If you have any personal interest in the matter, we do ask that you tell us at the outset. If we think your concern falls more properly within our grievance, bullying and harassment or other relevant procedure, we will let you know.

Whenever possible, we will give you feedback on the outcome of any investigation. Please note, however, that we may not be able to tell you about the precise actions we take where this would infringe a duty of confidence we owe to another person.

While we cannot guarantee that we will respond to all matters in the way that you might wish, we will strive to handle the matter fairly and properly. By using this policy you will help us to achieve this.

If at any stage you experience reprisal, harassment or victimisation for raising a genuine concern please contact **[insert appropriate personnel e.g. HR, or managers with a designated role under the policy]**

## INDEPENDENT ADVICE

If you are unsure whether to use this policy or you want confidential advice at any stage, you may contact the independent charity Public Concern at Work on 020 7404 6609 or by email at [helpline@pcaw.org.uk](mailto:helpline@pcaw.org.uk). Their lawyers can talk you through your options and help you raise a concern about malpractice at work.

You can also contact your union (where applicable) for advice.

## EXTERNAL CONTACTS

While we hope this policy gives you the reassurance you need to raise your concern internally with us, we recognise that there may be circumstances where you can properly report a concern to an outside body. In fact, we would rather you raised a matter with the appropriate regulator - such as *[name your key regulators here and provide their contact details, e.g. the Financial Conduct Authority, the Health and Safety Executive, the Care Quality Commission]* - than not at all. Public Concern at Work (or, if applicable, your union) will be able to advise you on such an option if you wish.

## MONITORING / OVERSIGHT

The Board / Audit Committee is responsible for this policy and will review it annually. The Risk Team *[Compliance / HR]* will monitor the daily operation of the policy and if you have any comments or questions, please do not hesitate to let one of their team know.