

Governance Committee

25 November 2011

Refresh of the Anti-theft, fraud and corruption strategy, Whistleblowing policy, and abridged version of the code of conduct for staff

Report of the Chief Officer

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1. Introduction

1.1 This report introduces three policies that have been refreshed.

2. Recommendations

2.1 That the Committee approve the following three policies:

- The anti fraud and corruption policy
- The Whistleblowing policy (formerly called 'Reporting Concerns at Work')
- The code of conduct for staff (abridged version)

3 Background

3.1 As a public body, the Authority is required to maintain effective systems of internal control to prevent fraud and corruption, and to establish procedures for the prompt investigation of fraud and irregularities.

3.2 The Authority is required to confirm to the Audit Commission on an annual basis that its arrangements in respect to the prevention of fraud and corruption are robust. The Authority has had a very low level of detected fraud and corruption over recent years and has key policies and procedures in place to support its overall corporate governance framework.

3.3 To provide a 'health check', early in 2010, Internal Audit was asked to carry out a review of the Authority's arrangements in respect to CIPFA's (Chartered Institute of Public Finance Accountants) guidance on managing the risk of fraud, called the 'Red Book 2'. It is seen as best practice guidance on the actions needed for an organisation to be effective in countering fraud and corruption

3.4 The recommendations arising from the work included the following:

- 3.4.1 'The Anti theft, fraud and corruption policy and associated policies e.g. reporting concerns at work, should be reviewed and updated where necessary and presented to the Governance Committee for their information and approval. The Authority should also develop a clear policy on the recovery of losses to ensure a consistent approach is followed on seeking financial recovery'.
- 3.4.2 'In order to further enhance a real anti-fraud and corruption culture within the Authority, consideration should be given to raising its profile by for example, incorporating this area into the corporate induction process, producing an annual staff survey, posters and running fraud awareness workshops'.
- 3.5 The Bribery Act 2010 came into force on 1st July 2011, and the policies were required to reflect this.
- 3.6 As a result of the above drivers, the Head of Financial Services, the Performance Review Manager, and the Equality and Diversity Manager (acting for, and in conjunction with the Human Resources Business Manager) have refreshed the policies. They have been circulated for comments to managers in the same way as other Service Orders. Comments have been received, and amendments made where appropriate. Legal and Internal Audit Services have been consulted and their advice and comments reflected.
- 3.7 The policies were reviewed and endorsed by Service Management Team on 7th November 2011.
- 3.8 Due to the importance of the policies within the governance framework, it is proposed that they be presented to the Governance Committee for approval.

4 Communicating the policies

- 4.1 Once the updated policies have been approved, communications will be made to staff to ensure that everyone is aware of them and the responsibilities they have with regard to them in order to make them effective. A plan will be drawn up to provide awareness training, whilst using resources and staff time in the most economic way.
- 4.2 It should be noted that the Reporting Concerns at Work policy has been renamed the Whistleblowing policy to ensure its purpose is more obvious.
- 4.3 It is planned that a dedicated intranet page will be developed so that the Authority's key policies under our corporate governance framework are brought together in one place, where until now they have been in under various sections of the Service orders.
- 4.4 Communications and new intranet pages will be complete by April 2012

5 Resource implications

Resources will be required to make staff aware of the policies, but will be used as economically as possible.

6 Risk analysis

Financial loss is an obvious impact of fraud. The likelihood of fraud may be heightened during the current economic climate. Ensuring that our key policies are fit for purpose can help to control the risk. Instances of fraud and corruption will impact upon the reputation of the Authority and the confidence its stakeholders and partners have in it.

7 Consultation

- 7.1 The policies have been circulated using the process for Service Orders. The Representative Bodies were informed by email that the policies were on circulation.

8 People Impact Assessment

- 8.1 The proposals within this report are considered compatible with the provisions of the European Convention on Human Rights, the Human Rights Act 1998, and the Race Relations (Amendment) Act 2000.

Background Information (Section 100D of Local Government Act 1972)

The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

Internal Audit Report – Self Assessment against Red Book 2 (June 2010)

Red Book 2 Managing the Risk of Fraud - Actions to Counter Fraud and Corruption – CIPFA

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

Appendix A - The anti fraud and corruption policy

Appendix B - The Whistleblowing policy (formerly called 'Reporting Concerns at Work')

Appendix C - The code of conduct for staff (abridged version)