



Agenda item:

Decision maker: Governance & Audit & Standards Committee

Subject: Anti-Fraud, Bribery and Corruption & Investigations Update

Date of decision: 15th November 2012

Report by: City Solicitor, Monitoring Officer & Strategic Director and Head of Finance & S151 Officer

Wards affected: N/A

Key decision (over £250k): No

1. Summary

- 1.1 Internal Audit can report on 6 investigations since the last report to this Committee in September 2011.
- 1.2 The updated Anti-Fraud, Bribery and Corruption Action Plan is presented to Members.
- 1.3 The proposed amendments to the Whistleblowing Policy is presented to Members.

2. Purpose of report

- 2.1 This report is to update the Governance and Audit and Standards Committee as part of the reporting protocol for Internal Audit on Investigations directed by the 'Investigation Steering Panel' between September 2011 and November 2012 including outcomes and action taken.
- 2.2 To report on the updated Anti-Fraud, Bribery and Corruption Action Plan.
- 2.3 To report on the proposed amendments to the Whistleblowing Policy following discussions with Public Concern at Work.

3. Background

- 3.1 The Investigation Steering Panel (ISP), in accordance with the City's Constitution, directs all investigations that Internal Audit undertakes. The Panel consists of Michael Lawther, Strategic Director, City Solicitor & Monitoring Officer, Chris Ward, Head of Finance & s151 Officer (as part of their roles within the City Constitution), Jacqueline Coonie Senior Manager HR - Employee Relations, and Elizabeth Goodwin, Deputy Chief Internal Auditor.
- 3.2 As part of the protocol within the Audit Charter and Terms of Reference all audits where material system weaknesses are found are reported to the Governance and Audit and Standards Committee. With special investigations this is done once all the disciplinary

and appeals processes are exhausted and this is the first opportunity to report on the findings following the completion of cases through the Authority's process and procedures.

- 3.3 The Whistleblowing Policy was revised and approved July 2011 to incorporate the requirements of the Bribery Act 2010. Advice was sought at that time from the 'Public Concern at Work' to ensure that the policy reflected best practice and good governance.

4. Recommendations

- 4.1 **It is recommended that the attached Appendix A is considered as an exempt/confidential matter and the press and public are excluded under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act 1985, for the following reasons:**

- **Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972. To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.**
- **Although there is a public interest favouring public access to local authority meetings, given the legally and personal sensitive information contained in the Appendix, the public interest in maintaining the exemption outweighs the public interest in disclosing the (exempt) information.**
- **Appendix A has been deemed exempt under paragraph numbers:**
 1. **Information relating to any individual**
 2. **Information which is likely to reveal the identity of an individual**

It is also recommended that Members note the:

- 4.2 Contents of the investigations report detailed as Exempt in Appendix A
- 4.3 Anti-Fraud, Bribery and Corruption Action Plan, Appendix B

5. Special Investigations

- 5.1 Exempt Appendix A gives Members summaries of the 6 completed investigations undertaken by Internal Audit between September 2011 and November 2012, including the background, issues, findings, outcomes & actions taken.
- 5.2 Appendix A has been deemed exempt under paragraphs (1) Information relating to any individual & (2) Information which is likely to reveal the identity of an individual
- 5.3 Any investigations that are currently underway or have not yet reached the end of the Authority's processes and procedures will be reported next year.

6. Anti-Fraud, Bribery and Corruption Action Plan

- 6.1 Appendix B details the agreed actions and proposed timescales along with progress made to date.

6.2 These actions have already been agreed by this Committee to ensure that an appropriate anti-fraud, bribery and corruption culture is embedded throughout the Authority. This aids in the prevention of fraud and actions of corruption, raises staff and member awareness in relation to responding and reporting suspected acts of dishonesty.

7. Whistleblowing Policy

7.1 As a consequence of further communications with the ‘Public Concern at Work’ organisation it has been identified that an amendment to the Whistleblowing Policy is required in order to reflect a fundamental change in the access to previously restricted investigation findings.

7.2 Under the Freedom of Information Act and Data Protection Act a Whistleblower is permitted substantial access by means of a ‘copy’ to the final report which conflicts with how the current policy presents itself. As part of the Anti- Fraud, Bribery and Corruption Plan the provision for the revision of the Ppolicy is already included and will include this proposed change.

8. Equality impact assessment (EIA)

8.1 An equality impact assessment has been carried out which has revealed that the contents of this report do not have any relevant equalities impact and therefore a full assessment is not required.

9 City Solicitor comments

9.1 There are no immediate legal implications arising from this report.

10. Head of Finance and s151 Officer comments

10.1 There are no financial implications arising directly from the recommendations contained within this report

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Signed by: City Solicitor & Strategic Director

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Head of Finance & S151 Officer

Appendices:

Exempt Appendix A – Completed Investigations between September 2011 & November 2012

Appendix B – Anti-Fraud, Bribery & Corruption Action Plan

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Final reports issued in relation to the investigations performed.	Exempt – secured in Internal Audit
Audit Charter and Terms of Reference and Protocol as reported to Governance and Audit June 26 2009	Not yet Intralink -copies held in Internal Audit
CIPFA “Managing the Risk of Fraud Red Book and Red Book 2”	Purchase only-Not for general publication copy held in Internal Audit
Audit Commission – Protecting the Public Purse	Internal Audit/Audit Commission http://www.audit-commission.gov.uk/fraud/protecting-the-public-purse/Pages/default.aspx
Fraud Act 2006	UK Legislation http://www.legislation.gov.uk/ukpga/2006/35/contents
Bribery Act 2010	Ministry of Justice Website.
Public Concern at Work	Public Concern at Work website. http://www.pcaw.org.uk/

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Governance & Audit & Standards Committee on 15th November 2012.