

AUDIT COMMITTEE
25 SEPTEMBER 2008

WHISTLEBLOWING ANNUAL REPORT

Report from: Mick Hayward, Chief Finance Officer

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Summary

To advise Members about the nature of concerns raised on fraud and corruption issues since the beginning of the year in which the revised anti fraud and corruption policy was adopted.

1. Budget and Policy Framework

1.1 Following the Council's decision to establish this committee, it is within the remit of this committee to take decisions regarding accounts and audit issues.

2. Background

2.1 The Council's anti-fraud and corruption policy states that regular reports will be made to this committee on the number, nature and status of whistleblowing events.

2.2 As part of the regular reporting arrangements, this committee receives reports on the outcomes of major irregularity investigations, whatever the source of the information. This report summarises the position of all fraud and corruption concerns received since 1 April 2007.

2.3 Members should note whistleblowing arrangements within the council cover a wide range of areas but this report is limited to fraud and corruption concerns.

3. Concerns raised since 1 April 2007

3.1 The following table summarises the position of all concerns raised on fraud and corruption issues since 1 April 2007.

Nature	Raised by	Outcome	Reported to Audit Committee
High level of overtime claims from one individual	Management	Inappropriate management arrangements which by passed council processes. Changes made to processes. No fraud occurred	April 2008
Temporary employee falsifying timesheet	Whistleblower	No evidence to support allegation. Management informed of allegation and reminded of appropriate certification processes.	Not reported.
Window replacement at St Marks House	Whistleblower	Inappropriate interpretation of contractual arrangements. Loss incurred but no fraud established.	June 2008
Missing cash/bankings at establishment	Management	Bagged monies removed from location before collection by external contractor. Losses incurred. Unable to identify culprit.	February 2008
Inappropriate grant claims	Management	Investigation underway	To be reported when investigation completed
Inappropriate additional hours claims	Management	Investigation underway	To be reported when investigation completed

4 Financial implications

4.1 There are no financial implications arising directly from this report.

5 Legal implications

5.1 There are no legal implications arising directly from this report.

6 Recommendations

- 6.1 Members are asked to note this report and to consider it as part of their deliberations on the proposed governance statement.

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Background papers

Anti-fraud and corruption policy
Medway Council's constitution