

AUDIT COMMITTEE

25 JUNE 2009

WHISTLEBLOWING ANNUAL REPORT

Report from: Deborah Upton, Monitoring Officer

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Summary

To advise Members about the nature of concerns raised on fraud and corruption issues.

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 2008.

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. The committee is asked to consider whether it wishes to review the whistleblowing policy to ensure that all whistleblowing, including breaches of IT/data protection are reported to the committee.

2.4 There has been a recent employment tribunal case where it was found that an individual had been unfairly dismissed because of whistle-blowing. Whilst the circumstances of this case were complex it is an opportunity to review our whistle-blowing procedure to ensure that it is sufficiently robust and provides protection for the employee as well as the employer

3. Concerns raised since 1 April 2008

3.1 The following table summarises the position of all concerns raised on fraud and corruption issues since 1 April 2008.

Nature	Raised by	Outcome	Reported to Audit Committee
Markets – two separate allegations concerning allocations of a pitch for financial gain and misuse of pitch fees.	Public	No evidence to support either of the allegations. An audit of market income is included in the 09/10 plan.	March 2009
An external stocktake at a Council run facility identified a potential loss of assets.	Management	The investigation revealed shortcomings in the external stocktaking and internal processes and procedures. Management agreed to implement recommendations and revise working processes. An audit of the revised processes is included in the 09/10 plan.	March 2009.
Inappropriate additional hours claims	Management	Poor exercise of controls over letting arrangements. Insufficient evidence to prove concerns. Minor overpayment detected and recovered from individual.	Not reported.
Shift staff not working full hours.	Management	Investigation proved concerns were founded. Disciplinary action has been taken.	June 2009
Inappropriate grant 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. Risk management

6.1 The Anti Fraud and Corruption Policy sets out the basis for protecting public funds by ensuring the opportunity for fraud and corruption is reduced to the lowest risk. Within this, the whistleblowing policy encourages all individuals to raise serious concerns.

7 Recommendations

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

7.2 That the monitoring officer be requested to review the whistleblowing policy and bring it to this Committee for approval.

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Background papers

Anti-fraud and corruption policy
Medway Council's constitution