

AUDIT COMMITTEE

25 SEPTEMBER 2014

WHISTLEBLOWING, ANTI-BRIBERY AND ANTI-MONEY LAUNDERING POLICIES: REPORT ON INSTANCES SEPTEMBER 2013 - SEPTEMBER 2014

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Summary

This report is to advise Members about the nature of concerns raised, between September 2013 and September 2014, under the Council's Whistleblowing, Anti-Bribery and Anti-Money Laundering Policies.

1. Budget and Policy Framework

1.1 The Council's Whistleblowing Policy, Anti Fraud and Corruption Policy, Anti-Bribery Policy and Anti-Money Laundering Policy are set out within the Council's Constitution. These policies require annual reports on the number and nature of instances raised to be provided to the Audit Committee. This report is also submitted to the Employment Matters Committee.

2. Background

2.1 The Council has agreed a number of policies to tackle all types of unlawful acts, including fraud, bribery, corruption, unethical conduct and malpractice regardless of who commits them, or where in the Council they are committed. These can be summarised as follows:

- Anti-Fraud and Corruption Policy

This policy outlines the council's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

- Whistleblowing Policy

This policy covers the procedure for anyone wishing to raise a concern relating to any unethical or unprofessional conduct within the council, including malpractice, and abuse and is designed to enable concerns to be raised without fear of reprisals or victimisation where disclosure is made in good faith.

- Anti-Bribery Policy

This policy sets out the Council's commitment to the prevention and detection of bribery and the arrangements in place to ensure compliance by Councillors and employees, including contractors, volunteers and consultants

- Anti-Money Laundering Policy

This policy sets out the Council's commitment to ensuring there are appropriate and proportionate anti-money laundering safeguards to prevent, where ever possible, the organisation and its staff being exposed to money-laundering.

2.2 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. The requirement to report to Members is repeated within the Council's Whistleblowing Policy, Anti-Bribery Policy and Anti-Money Laundering Policy.

2.3 It is noted that as part of the regular reporting arrangements, the Audit Committee receives reports on the outcomes of major irregularity investigations, whatever the source of the information.

3. Whistleblowing concerns raised from September 2013 to September 2014

3.1 The following table summarises the position of four concerns raised under the Whistleblowing Policy from September 2013 to September 2014.

Nature	Raised by	Outcome
Concern related to out-of-hours working arrangements and related issues	Employee	The concern was fully investigated and Council management arrangements were reviewed and enhancements to those arrangements were recommended.

Nature	Raised by	Outcome
Concern relating to personal relationships between management and staff, the failure to record income received and personal use of stock	Employee	Investigation completed. No evidence to substantiate the claim.
Concerns occurring in a care home in Medway	Employee	Concerns redirected to Customer Contact to raise an Adult Safeguarding alert. Ongoing.
Concern regarding a transport loan payment	Employee	Investigation completed. Management processes reviewed.

3.2 For comparison purposes the table below sets out the number of concerns raised under the Whistleblowing Policy since 2010/2011:

2010/2011	2011/2012	2012/2013	2013/2014
5	1	3	4

4. Anti-Bribery and Anti-Money Laundering concerns raised from September 2013 to September 2014

4.1 Members are advised that there are no instances to report.

5. Risk Management

5.1 The Council's Whistleblowing Policy, Anti-Bribery Policy and Anti-Money Laundering Policy set out its commitment to tackling unlawful acts including fraud, corruption, unethical conduct and malpractice.

Risk	Description	Action to avoid or mitigate risk
Staff members with concerns with Whistleblowing process may release information into the public domain	Failing to promote the Whistleblowing policy or inform staff of the protections under the Public Interest Disclosure Act 1998 potentially increase the reputational risk to the Council.	Promote awareness of the Whistleblowing Policy and encourage staff to raise concerns through the confidential process. Whistleblowing officers have been identified to assist staff when raising concerns.
Reputational, legal and financial	Money laundering or bribery offences are committed by member of staff or supplier or customer leading to liability for the council	The agreed Anti-Money Laundering Policy and the Bribery Policy, provide information to staff and Councillors via the internet and through training
Reputational, legal and financial	Agency staff, suppliers and contractors are not aware of the policy	Include reference to preventing money laundering and preventing bribery in contracts and tender specifications

6. Financial and Legal Implications

- 6.1 The Public Interest Disclosure Act 1998 protects a worker from victimisation or detriment following a disclosure made in accordance with the provisions of this act. The Whistleblowing Policy has been developed in line with the provisions of the Public Interest Disclosure Act 1998. A written policy is indicative of good corporate governance practice. The policy also gives the Council an opportunity to give prominence to the issue and to express its commitment to the legal protection afforded to whistle-blowers.
- 6.2 There are no direct financial implications arising from this report. However a successful claim brought under the Public Interest Disclosure Act 1998, against the Council may result in a substantial financial award as compensation for a person who has suffered detriment under the Act.

7. Recommendations

7.1 Members are recommended to note the contents of this report.

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Background Papers:

Medway Council's Constitution

<http://www.medway.gov.uk/thecouncilanddemocracy/council/constitution.aspx>

Whistleblowing Policy

<http://www.medway.gov.uk/pdf/5.09%20-%20Whistleblowing%20Policy21%20August%202013.pdf>

Anti-fraud and Corruption Policy

<http://www.medway.gov.uk/pdf/5.08%20-%20Anti%20Fraud%20and%20Corruption%20Policy21%20August%202013.pdf>

Anti-Bribery Policy

<http://www.medway.gov.uk/pdf/5.10%20-%20Anti-Bribery%20Policy21%20August%202013.pdf>

Anti-Money Laundering Policy <http://www.medway.gov.uk/pdf/5.11%20-%20Anti-Money%20Laundering%20Policy21%20August%202013.pdf>