

Note for Audit Committee – Whistleblowing Arrangements Governance

1. The process for dealing with Whistleblowing allegations in the past has been uncoordinated. A review by Internal Audit, of BCC's arrangements against the British Standard 'Whistleblowing Arrangements – Code of Practice (PAS 1998:2008)', identified a lack of co-ordination, no central or comprehensive recording of whistleblowing reports and no governance or review of the process.
2. Lead by HR and working with Internal Audit a process has been developed to ensure a co-ordinated response to all whistleblowing allegations, with all instances now being recorded in a case management system. The work has also included a review of the policy and some recent communication on 'The Source' to raise awareness of the policy and procedure. (Attached for the Committee information)
3. The Code of Practice supports the recommendation of the 'Combined Code on Corporate Governance' which states that:

C.3.5] The audit committee should review arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action. |
4. It is therefore proposed that Internal Audit should undertake an annual review of the arrangements and should report to the Audit Committee annually. The review should cover:
 - Whether the organisations policy meets good practice
 - The whistleblowing concerns recorded in terms of volume and substance
 - Employee awareness and trust
 - Significant adverse incidents.
5. The need for regular review is also recommended by the 'Committee standards in Public Life'.
6. **Recommendation:** It is proposed that the Audit Committee should take on the governance role for the whistleblowing policy and procedure and should receive an annual report from Internal Audit on the adequacy and effectiveness of arrangements. The timing of this to be agreed, but to meet the reporting requirements of the Annual Governance Statement.