

Audit Committee

20 January 2020



Report of: Chief Internal Auditor

Title: Whistleblowing Arrangements Update

Ward: Citywide

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee note the outcomes from the annual review of Whistleblowing arrangements and endorse the actions being taken to enhance the transparency and staff confidence on these arrangements.

Summary

The Audit Committee is responsible for ensuring that arrangements are in place for the independent investigation, and follow-up action of Whistleblowing allegations, in line with recommended best practice. An annual audit review of Whistleblowing arrangements takes place to enable the Audit Committee to exercise its governance role over Whistleblowing arrangements. Following this management put in place appropriate arrangements designed to resolve any issues identified by the audit.

The significant issues in the report are:

Internal audit has recently completed the annual review of the Council's Whistleblowing arrangements and provided **reasonable assurance** that the Whistleblowing arrangements are operating effectively albeit with improvement needing to be made in certain areas. Two of the four agreed management actions arising from the previous audit have been fully implemented. However, the other two actions meant to further enhance the confidence in the arrangements remain outstanding. These are detailed in Appendix 1.

In addition, the functional responsibility for managing the Whistleblowing arrangements in Bristol City Council is transferring from Human Resources to Internal Audit. Due to Internal Audit's position as an independent function, senior management see this change as key to enhancing the confidence in the independent handling and reporting of suspected concerns. In taking this forward, Internal Audit will work with the Corporate Leadership Team and Human Resources colleagues to fully implement the agreed management actions arising from the recent Whistleblowing audit.



Policy

The Council is committed to conducting its business with honesty and integrity. In this context, the Council has a Whistleblowing Procedure which is designed to ensure that employees feel able to report any concerns they may have regarding wrongdoing or dangers arising from Council activities.

Consultation

1. **Internal**
Human Resources, Section 151 Officer, Corporate Leadership Board
2. **External**
N/A

Context

3. The Council is committed to conducting its business with honesty and integrity and to this end it expects that all employees operate with the same honesty and integrity. In this context, the Council has a Whistleblowing Procedure which is designed to ensure that employees can report any concerns they may have regarding wrongdoing or dangers arising from Council activities.
4. An Internal Audit review of the Council's Whistleblowing arrangements has been undertaken. The review provided reasonable assurance on the effectiveness of the arrangements in place and the key messages from this engagement are summarised in Appendix 1.
5. In reviewing the current arrangements, senior management have made a decision to transfer the management responsibilities for Whistleblowing from Human Resources to Internal Audit. The Internal Audit Team has been given sufficient resources to ensure that this important responsibility is effectively discharged. Given Internal Audit's independent position within the Council, management see this development as key in further enhancing the confidence in the transparency and handling of Whistleblowing reports. The key actions that are being prioritised are summarised in the table below:

No.	Planned Action	Target Date
1.	A corporate message on the Council's Whistleblowing arrangements and senior management's commitment to protecting Whistleblowers will be communicated to all colleagues in January 2020. Thereafter quarterly reminders on the Council's Whistleblowing Procedures will be rolled out.	31 January 2020
2.	Consistent with the Council's Whistleblowing Procedure, staff will be reminded that there are a number of external prescribed persons/bodies with whom concerns can be raised if they do not feel able to disclose directly to the Council and the person / body may be in a position to take some form of further action on the disclosure.	31 January 2020

No.	Planned Action	Target Date
3.	Induction training and regular counter fraud e-learning will be utilised to improve awareness and enhance confidence in the Whistleblowing process.	30 June 2020
4.	Quarterly monitoring and reporting on Whistleblowing cases and outcomes will be introduced and presented to the Audit Committee and Corporate Leadership Team. In noting this, it is important to acknowledge that the extent of disclosure could be limited due to the need to protect the Whistleblower.	30 June 2020
5.	Internal Audit will explore the use of the fraud case management system to track individual cases to enable timely and effective feedback to Whistleblowers.	30 June 2020
6.	The 2019 All Party Parliamentary Report on Whistleblowing will be considered in full and any relevant recommendations implemented as appropriate to the City Council.	30 June 2020
7.	A Whistleblowing hotline will be created and publicised before the end of this financial year. Procedures in relation to receiving and responding to reports received via the hotline will also be established.	31 March 2020
8	As is currently the case all Whistleblowing cases will be investigated by an appropriate individual(s) and an independent external investigator may be commissioned if deemed necessary and appropriate.	Ongoing
9	In the event that a report is received relating to the Chief Internal Auditor or member of their team, the arrangements for investigating that report will be decided by the Council's Section 151 Officer and Monitoring Officer.	Ongoing
10.	With Internal Audit taking functional responsibilities for managing Whistleblowing arrangements, an external organisation will be commissioned to undertake the annual independent review of the Council's Whistleblowing arrangements. The costs relating to this will be managed through current budgets.	31 December 2020

Proposal

- The Audit Committee note the outcomes from the annual review of Whistleblowing arrangements and endorse the actions being taken to enhance the transparency and staff confidence on these arrangements.

Other Options Considered

7. N/A

Risk Assessment

8. Failure to define and promote 'Whistleblowing arrangements' and for employees to have confidence in 'Whistleblowing arrangements' could result in malpractice going undetected, financial loss and possible reputational damage to the City Council.

Public Sector Equality Duties

8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

8b) The recommendations have no specific bearing on equality issues.

Legal and Resource Implications

Legal

Not applicable

Financial

Internal Audit has been provided with an additional budget to manage the financial implications arising from the new responsibilities for managing Whistleblowing arrangements. There are no other significant financial implications.

Land/Property

Not applicable

Human Resources

HR advice provided by Mark Williams – Head of HR

Appendices:

Appendix A – Summary of Internal Audit Annual Review of Whistleblowing Arrangements

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

- PAS1998 Whistleblowing Code of Practice