

# Audit Committee

8<sup>th</sup> March 2022



**Report of:** Chief Internal Auditor

**Title:** Whistle-blowing Update Report

**Ward:** Citywide

**Officer Presenting Report:** Simba Muzarurwi – Chief Internal Auditor

## Recommendation

The Audit Committee receives an update on the Whistle-blowing arrangements within Bristol City Council and notes the on-going improvement agenda.

## Summary

The purpose of this report is to brief the Committee on the Council's 'Whistle-blowing' arrangements, progress on the implementation of recommendations resulting from the independent review undertaken in 2021 and other improvements which have occurred or are planned.

Consistent with the established practice the details of Whistle-blowing cases and outcomes are reported in the half year and annual fraud reports. The Committee received the fraud half year report in November 2021 and the annual fraud report will be presented to the Committee in June 2022.

## The significant issues in the report are:

- Internal Audit have implemented two of the three recommendations from the independent review of Whistle-blowing arrangements undertaken in 2020/21 by the South West Audit Partnership. The third recommendation required the addition of a date and version to the procedure, which will be addressed when the new procedure, currently being updated, is approved.
- A number of further improvements have been identified and are being implemented to enhance Whistle-blowing arrangements. An action plan is being developed and it is hoped that these improvements will encourage and build employee confidence in the process.
- Given the substantial assurance obtained last year no independent review on the effectiveness of the Council's Whistle-blowing arrangements has been undertaken this year. However, another independent review will be commissioned in the new year and will be reported to the Committee in March 2023.

## **Policy**

- The Council is committed to conducting its business with honesty and integrity. In this context, the Council has a Whistle-blowing 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.
- The Audit Committee is responsible for ensuring that Whistle-blowing arrangements are adequate and operating effectively. The Audit Committee receives annually an update on the Whistle-blowing arrangements including progress in the implementation of any previously agreed management actions consistent with recommended best practice.

## **Consultation**

### **1. Internal**

Corporate Leadership Board including S151 Officer, Cabinet Member for Governance, Resources and Finance

### **2. External**

Not applicable

## **Context**

3. The aim of the Council's Whistle-blowing Procedure is to encourage employees and others who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. This Procedure:
  - encourages employees to feel confident in raising serious concerns at the earliest opportunity and to question and act upon concerns about practice;
  - provides avenues for employees to raise those concerns and receive feedback on any action taken;
  - ensures that employees receive a response to their concerns and that they are aware of how to pursue them if they are not satisfied; and
  - reassures employees that they will be protected from possible reprisals or victimisation if they have made any disclosure in good faith.
4. The Council's Whistle-blowing procedure is available to employees, contractors and volunteers to raise concerns of wrong-doing, risk or malpractice which may harm others. It is not available for public use. However, members of the public can report concerns via the Complaints Procedure.

## ***Internal Audit Role***

5. In the context of Bristol City Council, Internal Audit has the responsibility for over-seeing the management arrangements and in some instances, investigating, whistleblowing allegations. These

organisational arrangements are set to provide greater independence on the handling of whistle-blowing cases thereby increasing employee confidence in the process.

6. Under the management of the Chief Internal Auditor, Internal Audit is responsible for:
  - Ensuring that all Whistle-blowing allegations are adequately assessed, investigated and reported on.
  - Co-ordinating and validating management investigations and responses to Whistle-blowing referrals.
  - Investigating some Whistle-blowing referrals where an independent investigation is appropriate, or where the referral relates to fraud.
  - Commissioning specialist teams or external investigators to undertake Whistle-blowing investigations where appropriate.
  - Maintaining a record of all Whistle-blowing allegations and outcomes.
  - Maintaining contact with Whistle-blowers and ensuring that they are updated regularly.
  - Raising awareness of how to report concerns including annual reminders through staff communication bulletins.
  - Developing and improving confidence in the Whistle-blowing process.
  - Reporting to management and Audit Committee outcomes from investigations relating to Whistle-blowing cases and any policy changes and improvements.

***Implementation of agreed management actions from previous independent review***

7. An independent review of the Council's Whistle-blowing arrangements was carried out in March 2021 by the South West Audit Partnership and a **Substantial Assurance** opinion was given. The review noted that:
  - The majority of key controls were in place and operating effectively.
  - There were clear procedures and guidance for reporting whistle-blowing events, with appropriate mechanisms to protect Whistle-blowers.
  - Referrals were investigated appropriately and recorded on a central system.
  - Monitoring and reporting was provided to management in a timely manner.
8. The independent review identified three minor findings and the table on the next page provides an update on actions that have taken to address the points raised.

No.	Review Finding	Internal Audit Update
1	Whistleblowing policy does not include a date for review or version control	The Whistleblowing Procedure is currently being updated and will include date and version control when it goes through the approval process.
2.	Enhancements could be made to highlight Whistleblowing arrangements to volunteer workers.	Managers were reminded through the Manager Bulletin to ensure that voluntary workers are made aware of the Whistleblowing Procedure. In addition, we are also working on the inclusion of a reference to Whistleblowing in the ‘Volunteers Policy’.
3.	Reports to Audit Committee do not include summary outcomes or learning points.	Reports on Whistleblowing referrals and investigations outcomes are reported to the Audit Committee twice a year as part of the half year and annual fraud update reports.

9. For the current year we have procured the Protect Whistle-blowing Benchmarking tool and are assessing our arrangements against this. This will drive improvements for the forth coming year. A second independent review will be procured/commissioned in 2022/23.

**Improvements**

10. Internal Audit recognises the importance and value of effective Whistleblowing arrangements. As such three members of the team have undertaken a half day training course provided by ‘Protect’ to enhance their knowledge in the management of Whistleblowing referrals.
11. An internal investigation protocol has been developed to ensure that issues can be dealt with transparently, fairly, proportionately and lawfully, and that all relevant legislation such as the General Data Protection regulations, the Data Protection Act 2018 and the Human Rights Act are strictly observed.
12. Operationally, a new template has been developed to enable Internal Audit colleagues to evidently evaluate Whistleblowing referrals and document reasons for the actions relating to the referral.
13. In addition, Internal Audit has started assessing the Council’s arrangements against the ‘Protect’ Benchmarking Assessment tool and are working on a draft action plan of improvements. Further planned improvements include:
- Regular review of the Whistle-blowing Procedure to encourage Whistle-blowing.
  - Agreeing a protocol for Schools Whistle-blowing allegations.

- Enhancing the support and advice for Whistle-blowers.
- Obtaining feedback from Whistle-blowers on the process and suggested improvements based on their experience.
- Improving managers' understanding of their role in supporting Whistle-blowing arrangements.
- Further raising of awareness of the process.

### ***Lessons learnt***

#### **14. Key lessons that have been learnt include:**

- More frequent and personal contact with Whistle-blowers is more supportive and encouraging.
- In some instances, the Whistleblowing Procedure is used instead of the Grievance Procedure. However, there are often referrals that constitute Whistle-blowing and grievance. More awareness will help employees to determine when the Whistle-blowing Procedure is the appropriate process.
- There is need for clear understanding of expectations of Whistle-blowers and ensure they are made aware of any limitations, so that they do not feel disappointed with the outcomes.
- Managers have a significant part to play in ensuring effective Whistle-blowing arrangements and increased support and awareness will help enhance the arrangements.

### **Proposal**

**15.** The Audit Committee note the contents of this report.

### **Other Options Considered**

**16.** Not applicable

### **Risk Assessment**

**17.** Effective Whistle-blowing arrangements are a valuable mitigation against many risks the organisation faces, providing a route to report any instances of wrong-doing, risk or malpractice which may harm others. Failure to define and promote Whistle-blowing arrangements and for employees to have confidence in Whistle-blowing arrangements could result in malpractice going undetected, financial loss and possible reputational damage to the City Council.

**Summary of Equalities Impact of the Proposed Decision**

No equality impact is anticipated from this report.

**Legal and Resource Implications**

**Legal**

Not Applicable

**Financial**

Not Applicable

**Land**

Not Applicable

**Personnel**

Not Applicable

**Appendices:**

Not applicable

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers:**