

# Internal Audit Report - FINAL

## Bristol City Council - Review of Whistleblowing Arrangements

February 2023

### Audit Objective

To review the process for referring, investigating, and managing potential whistleblowing allegations whilst ensuring that arrangements are clear and accessible to staff and consistent with the Council's whistleblowing procedures.

### Audit Opinion

Substantial - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

### Assurance Opinion on Risks or Areas Covered

**Allegations of potential whistleblowing are not referred, assessed, investigated and managed appropriately resulting in financial and reputational damage and legal recourse.**

**Continuous improvement surrounding the procedures.**

### Level of Assurance

**Substantial**

**Substantial**

*These areas / risks combine to provide the overall audit assurance opinion. Definitions of the assurance opinion ratings can be found in the Appendices. The observations and findings in relation to each of these areas has been discussed with management, see the "Detailed Audit Observations and Action Plan" appendix A. This appendix records the action plan agreed by management to enhance the internal control framework and mitigate identified risks where agreed*

## Introduction

The terms 'whistleblowing' or 'speak up' refer to an individual raising a concern about something that they perceive as being illegal, unethical or unprofessional. Whistleblowing is defined by the UK Government as 'workers reporting certain types of wrongdoing that are in the public interest'.

From our review it is evident that the Council recognises the importance of Whistleblowing in identifying wrongdoing in its activities and to protect its citizens and employees. A culture of openness and trust is actively promoted by Senior Management where all Whistleblowing concerns are taken seriously and properly investigated. The Council's Whistleblowing process is managed by the Internal Audit team. The process is intended to provide a reliable and trusted mechanism for reporting wrongdoing, risk or malpractice within the organisation that affects others.

## **Executive Summary**

The Internal Audit team have a robust process in place to over-see the management arrangements and in some instances, investigating whistleblowing allegations. These arrangements provide a greater independence on the handling of whistleblowing cases thereby increasing employee confidence in the process. It is clear from our review that the Internal Audit team proactively review and revise their processes as required to ensure that improvements are continuously made.

Regular updates are provided on Whistleblowing to the Audit Committee by the Internal Audit Team. There are established procedures in place where details of Whistleblowing cases and outcomes are reported in the half year and annual fraud reports, ensuring that members are kept up to date.

The current policy has identified an opportunity for the Council to further enhance its procedures in line with 'Protect' best practice guidance. The draft policy will be approved using the Council's decision pathways during Quarter 1 of 2023/24 financial year.

The detailed findings and recommendations regarding these issues and less important matters are described in Appendix A. Recommendations have been categorised to aid prioritisation. Definitions of the priority categories and the assurance opinion ratings are also given in the Appendices to this report.

## **Acknowledgements**

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of this audit.

**Tony Rose**  
**Head of Partnership**

## Detailed Audit Observations and Action Plan

Risk Area: Allegations of potential whistleblowing are not referred, assessed, investigated and managed appropriately resulting in financial and reputational damage and legal recourse:				Level of Assurance
				Substantial Assurance
<b>Opinion Statement:</b>				
<p>The Internal Audit team use a system called InCase Management to capture Whistleblowing referrals. As part of this review, we reviewed a sample of cases between January to December 2022.</p> <p>Robust procedures are in place to ensure Whistleblowing allegations are recorded with the necessary information. Further enhancement within the system would be beneficial to ensure cases that are 'in progress' are monitored on a regular basis with a clear conclusion and outcomes captured in a timely manner.</p>				
No.	Observation and Implications	Impact / Priority	Recommendation	Management Response
1.1	<p>InCase Case Management System is used to record whistleblowing referrals. At the time of the audit, of the 18 referrals recorded in InCase, six remain "in progress" status.</p> <p>Discussions during the audit confirmed that the monitoring of status of referrals / investigations is not currently formalised.</p>	Low	Consider implementing a formalised process for monitoring the status of investigations, ensuring that outcomes / management actions are concluded and resolved.	<p><b>Agreed.</b> Monitoring of progress and prioritisation of workloads is undertaken during 1:1 and management meetings but this will be formalised.</p> <p><b>Actions:</b> Monthly reports will be run and retained in InCase as evidence of regular review of progress.</p> <p><b>Responsible Officer:</b> Counter Fraud Manager</p> <p><b>Implementation Date:</b> 30<sup>th</sup> April 2023.</p>
1.2	Three cases were reviewed in detail from InCase. One case which was referred in June 2022 was delayed due to work pressures within the team. The investigation was resumed in November 2022; however, this only included a cursory web site check, and there has been nothing else recorded in InCase since.	Low	The progress of the investigation as notified needs to be checked and the investigation progressed to its conclusion.	<p><b>Agreed.</b> Initial assessment of this case concluded that information provided was not sufficient to enable it to be a priority. The information provided was vague and anonymous. Subsequent</p>

				work did not identify any concerns relating to the matter raised.  <b>Action:</b> InCase will be updated timely  <b>Responsible Officer:</b> Counter Fraud Manager <b>Implementation Date:</b> 30 <sup>th</sup> April 2023.
1.3	The review has identified an opportunity for the Council to further enhance its Whistleblowing Policy and Procedure whilst still in "draft" status.	Opportunity	Consider adding guidance in the policy around how personal data will be used, secured and how long it will be retained whilst the Policy is still in draft.	<b>Agreed.</b>  <b>Responsible Officer:</b> Counter Fraud Manager  <b>Implementation Date:</b> 30 <sup>th</sup> April 2023

<b>2. Risk Area: Continuous improvement surrounding the procedures are in place:</b>		<b>Level of Assurance</b>
		Substantial Assurance

**Opinion Statement:**

Our review concluded that robust mechanisms are in place for capturing and analysing staff attitude and feedback with regards to Whistleblowing. This has been captured by carrying out a staff annual survey and through training to individual teams. Further work is in place to build confidence amongst the workforce to try and reduce the number of anonymous allegations made.

The current policy has identified an opportunity for the Council to further enhance its procedures in line with 'Protect' best practice guidance. The draft policy will be approved using the Council's decision pathways during Quarter 1 of 2023/24 financial year.

No.	Observation and Implications	Impact / Priority	Recommendation	Management Response
No observations and recommendations recorded				

**Scope and Objectives**  
**Inherent Limitations**

The opinions and recommendations contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

**Confidentiality under the National Protective Marking Scheme**

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation’s disclosure policies. This report is prepared for the organisation’s use. We can take no responsibility to any third party for any reliance they might place upon it.

<b>Marking</b>	<b>Definitions</b>
Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Official: Sensitive	A limited subset of OFFICIAL information could have more damaging consequences if it were lost, stolen or published in the media. This subset of information should still be managed within the ‘OFFICIAL’ classification tier but may attract additional measures to reinforce the ‘need to know’. In such cases where there is a clear and justifiable requirement to reinforce the ‘need to know’, assets should be conspicuously marked: ‘OFFICIAL–SENSITIVE’. All documents marked OFFICIAL: SENSITIVE must be handled appropriately and with extra care, to ensure the information is not accessed by unauthorised people.

## Definitions of Audit Assurance Opinion Levels

Assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

## Definition of Recommendation Priority

High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
Opportunity	A recommendation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These recommendations do not feed into the assurance control environment.

### Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, South Hams & West Devon, Torridge and North Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We collaborate with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In conducting our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at [tony.d.rose@devon.gov.uk](mailto:tony.d.rose@devon.gov.uk)

### Direction of Travel Indicators

Indicator	Definitions
	No Progress has been made. The action plan is not being progressed at this time, actions remain outstanding.
	Progress has been made but further work is required. The action plan is being progressed though some actions are outside of agreed timescales or have stalled.
	Good Progress has/is being made. Good Progress has continued.