



TO THE CHAIRMAN AND MEMBERS OF THE **STANDARDS AND AUDIT COMMITTEE**

You are hereby summoned to attend a meeting of the Standards and Audit Committee to be held on Thursday, 24 November 2022 at 7.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

The agenda for the meeting is set out below.

JULIE FISHER
Chief Executive

NOTE: Filming Council Meetings

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website (www.woking.gov.uk). The images and sound recording will also be used for training purposes within the Council. Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed.

AGENDA

PART I - PRESS AND PUBLIC PRESENT

1. Minutes

To approve the minutes of the meeting of the Standards and Audit Committee held on 5 October 2022 as published.

2. Apologies for Absence

To receive any apologies for absence.

3. Declarations of Interest (Pages 3 - 4)

- (i) To receive declarations of interest from Members and Officers in respect of any item to be considered at the meeting.
- (ii) In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Foster may advise on those items.

4. Urgent Business

To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

Matters for Determination

5. Update on External Audit

Reporting Persons – Leigh Clarke / Steve Bladen (BDO)

6. Internal Audit Progress Report STA22-019 (Pages 5 - 16)

Reporting Person – Leigh Clarke

7. Internal Audit Charter STA22-020 (Pages 17 - 26)

Reporting Person – Leigh Clarke

8. Anti-Fraud and Corruption and Confidential Reporting Policies STA22-021 (Pages 27 - 52)

Reporting Person – Joanne McIntosh

AGENDA ENDS

Date Published - 16 November 2022

For further information regarding this agenda and arrangements for the meeting, please contact Doug Davern on 01483 743018 or email doug.davern@woking.gov.uk



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Agenda Item 3.

Schedule Referred to in Declaration of Interests

Council-appointed directorships

Julie Fisher, Chief Executive	
Brookwood Cemetery Limited	Thameswey Guest Houses Limited
Brookwood Park Limited	Thameswey Housing Limited
Energy Centre for Sustainable Communities Ltd	Thameswey Limited
Rutland Woking (Carthouse Lane) Limited	Thameswey Maintenance Services Limited
Rutland Woking (Residential) Limited	Thameswey Solar Limited
Rutland (Woking Limited)	Thameswey Sustainable Communities Limited
Thameswey Central Milton Keynes Limited	VSW Hotel Limited
Thameswey Developments Limited	Victoria Square Residential Limited
Thameswey Energy Limited	Victoria Square Woking Limited
Woking Necropolis and Mausoleum Limited	

Kevin Foster, Strategic Director – Corporate Resource	
Brookwood Cemetery Limited	Thameswey Housing Limited
Brookwood Park Limited	Thameswey Limited
Energy Centre for Sustainable Communities Ltd	Thameswey Maintenance Services Limited
Thameswey Central Milton Keynes Limited	VSW Hotel Limited
Thameswey Energy Limited	Victoria Square Residential Limited
Thameswey Guest Houses Limited	Victoria Square Woking Limited
Woking Necropolis and Mausoleum Limited	

Giorgio Framallico, Strategic Director - Place	
Brookwood Cemetery Limited	Thameswey Developments Limited
Brookwood Park Limited	Thameswey Energy Limited
Export House Limited	Thameswey Limited
LAC 2021 Limited (Dormant)	Thameswey Solar Limited
Kingfield Community Sports Centre Limited	Thameswey Sustainable Communities Limited
Thameswey Central Milton Keynes Limited	Woking Necropolis and Mausoleum Limited
Woking Shopping Limited	

Louise Strongitharm, Strategic Director – Communities	
Rutland Woking (Carthouse Lane) Limited	Thameswey Developments Limited
Rutland Woking (Residential) Limited	Thameswey Guest Houses Limited
Rutland (Woking) Limited	Thameswey Housing Limited
Thameswey Limited	

STANDARDS AND AUDIT COMMITTEE – 24 NOVEMBER 2022

INTERNAL AUDIT PROGRESS REPORT

Executive Summary

The Woking Borough Council Financial Regulation 2.8 requires that the Chief Finance Officer (Finance Director) shall regularly report to the Standards and Audit Committee (Committee) on the work undertaken by Internal Audit. Similarly, under the Internal Audit Charter approved by the Committee, it is a requirement that Internal Audit provides a quarterly report on internal audit progress and key findings to the Committee.

This report covers audit activity and performance from 22 September to 11 November 2022.

Recommendations

The Committee is requested to:

RESOLVE That the report be received and progress against the 2022-23 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

Reporting Person: Leigh Clarke, Finance Director
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Date Published: 16 November 2022

Implications

Financial and Risk

There may be financial implications regarding implementing internal audit recommendations depending on the nature of the area and recommendations made. However, any such implications are considered by Management as part of the consideration of the recommendations raised. Some audit recommendations are also designed to improve value for money and financial control.

Internal Audit identifies weaknesses in the control environment. Therefore, implementing recommendations improves the control environment and hence the risk management.

Human Resources and Equalities

Some audit recommendations need officer resources to put in place. There is minimal impact on equality issues.

Legal

The professional responsibilities of internal auditors are set out within UK Public Sector Internal Audit Standards (PSIAS).



Woking Borough Council - Internal Audit Progress Report
For the September to November 2022 Period
November 2022

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Disclaimer

This report (“Report”) was prepared by Mazars LLP at the request of Woking Borough Council (WBC), and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently, no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of WBC, and to the fullest extent permitted by law, Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Further details are provided in Appendix A3, “Statement of Responsibility”.

01 Introduction

The Woking Borough Council (Council) Financial Regulation 2.8 requires that the Chief Finance Officer (Finance Director) shall regularly report to the Standards and Audit Committee (Committee) on the work undertaken by Internal Audit. Similarly, the Internal Audit Charter approved by the Committee requires that Internal Audit provide a quarterly report on internal audit progress and key findings to the Committee.

The Committee approved the 2022/23 Internal Audit Plan (Plan) on 3 March 2022. The purpose of this report is to outline the following in respect of Internal Audit Activity during the period since the last Committee in October 2022:

- An update on progress in delivering the 2022/23 internal audit plan;
- A summary of any Limited/Unsatisfactory Assurance reports issued and high priority recommendations raised; and
- An update on follow-up activity and any recommendations outstanding for implementation.

This report covers internal audit activity and performance from 22 September to 11 November 2022.

02 Internal Audit Progress

Of the 18 internal audits included in the 2022/23 Plan, we initially scheduled two in Q1, two in Q2, seven in Q3 and seven in Q4. As previously reported in September to the Committee, the Business Planning audit was deferred to 2023/24. In addition, we planned a Health & Safety audit in Q3. However, the main H&S Officer left the Council and the team are currently working with an Agency/Temporary staff arrangement. Following discussions with the Head of HR and the Finance Director, we have agreed to defer this work to 2023/24 until a permanent role is appointed.

The table below provides a summary of progress of the remaining audits included in the 2022/23 Plan:

Audit Status	Number of reviews	Percentage %
Finalised	1	6%
Draft	1	6%
Fieldwork in progress	3	19%
Not yet started	11	69%
Total	16	100%

Further detail on the audits, progress

and timing is included in **Appendix A1** of this report.

03 Audit Reports Issued

We have four categories by which we classify internal audit assurance over the processes we examine: Substantial, Moderate, Limited or Unsatisfactory reviews. Further details on these categories is included at **Appendix A2**.

In our previous Progress Report for September 2022, we highlighted three 2021/22 Plan reports at draft stage (Risk Management, Cyber Security and Capital Programme). All three have now been finalised. The table below shows the reports issued in the period:

Audit Title	Assurance Opinion	Recommendations by Priority		
		High	Medium	Low
2021/2022 Internal Audit Plan				
Risk Management	Moderate		4	1
Cyber Security	Limited	-	8	1
Capital Programme	Moderate	-	3	-

2022/2023 Internal Audit Plan				
Corporate Governance Arrangements	Substantial*	-	1	-
Total		-	16	2

* Draft reports currently awaiting management responses, which may lead to changes in content, including assurance levels and/or recommendations

As mentioned in the previous progress report, there is one advisory report from the 2020/21 Plan outstanding as draft (Covid-19 Lessons Learned). Internal Audit has raised this matter with the Finance Director at our regular meetings. Given the time since this review, which was undertaken after the initial phase of Covid, the position on the report will be reviewed to consider how it can be appropriately finalised ahead of the next Committee meeting.

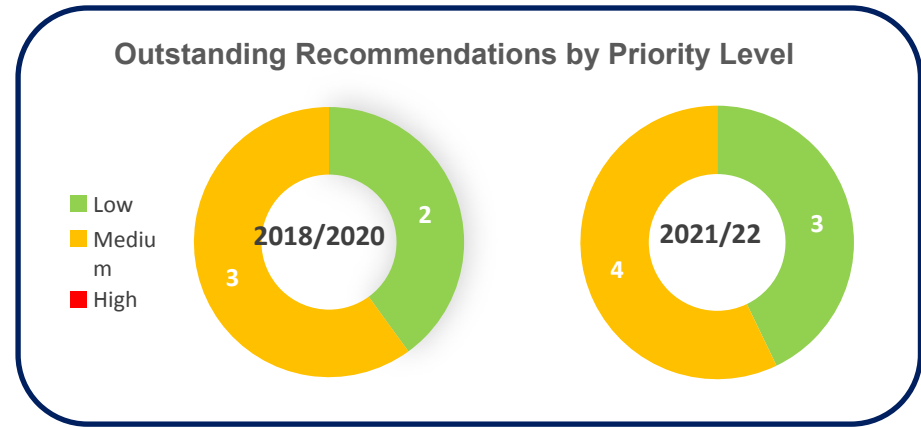
Internal Audit categorises recommendations as High, Medium, or Low priority to differentiate between the recommendations made. These categories give management an indication of the importance and urgency of implementing the recommendations.

As shown in the table above, no High Priority recommendations were raised. Further details of recommendations can be found in the summary reports for each audit provided separately to Members.

04 Follow-Ups

Since the last Committee meeting, the Council’s Action Management system has been populated with new recommendations from finalised reports.

As of 11 November 2022, there are 12 recommendations in Action Management which have past their initially agreed implementation dates. There are a further ten recommendations that were raised but within the agreed timescales for implementation and therefore not reviewed. Priorities for overdue recommendations are as follows:



There are no high-priority recommendation outstanding. Historic recommendations from Counter Fraud and Empty Homes were reviewed and agreed to be implemented by December 2022 as previously reported to this Committee.

We shared a report listing all recommendations raised to the Finance Director on 8 November 2022, ahead of the previously planned Committee Meeting. All relevant Officers and CLT Members assigned to implement all outstanding recommendations were reminded to update the Action Management System with progress on implementing these. A procedure is in place to escalate recommendations that have not been implemented as agreed to CLT and finally to this Committee where necessary.

05 Other Matters

At Mazars, we support the public and social sector by providing solutions and services that help organisations meet their challenges. We are committed to providing the insight and innovation that helps make informed decisions and deliver objectives.

In June 2021, we hosted a discussion forum for local authority Audit Committee Members, in which our team considered the role and purpose of an Audit Committee. This was followed by a panel discussion, in which

Mazars experts were joined by Audit Committee members from two London boroughs.

We aim to hold another forum in November 2022, and further details about joining this session will be shared with the Chair and Members in due course. If you would like any more information on the webinar or would like to take part in the next session, please get in touch with us.

[Audit Committee webinar for local authorities - Mazars - United Kingdom.](#)

A1 Current Progress – 2022/23 Plan

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Corporate Debt Recovery	Final	Moderate	-	3	-
Corporate Governance Arrangements	Draft*	Substantial	-	1	-
Disabled Facilities Grant	Fieldwork Complete	-	-	-	-
HR – Recruitment and Retention	Fieldwork in progress	-	-	-	-
Housing Stock – Gas Safety Compliance	Starts 21/11/2022	-	-	-	-
Key Financial Systems – AP, GL, NNDR and Council Tax	Starts 28/11/2022	-	-	-	-
Contract Management – Savills	Starts 09/01/2023	-	-	-	-
Community Safety	Starts 09/01/2023	-	-	-	-
Sheerwater Regeneration Project	Starts 16/01/2023	-	-	-	-
Thamesway Group Companies	Starts 30/01/2023	-	-	-	-
Commercial and Investment Property Portfolio	Starts 06/02/2023	-	-	-	-
Waste Management	Starts 06/02/2023	-	-	-	-
Victoria Square	Starts 20/02/2023	-	-	-	-
Environmental Health Inspections	Starts in Q4	-	-	-	-
Business Planning	Deferred to 23-24	-	-	-	-
Health & Safety	Deferred to 23-24	-	-	-	-
IT					
IT Disaster Recovery	Fieldwork in progress	-	-	-	-
Office 365	Starts in Q4	-	-	-	-
Total			0	4	0

*Draft reports currently awaiting management responses, which may lead to changes in content, including assurance levels and/or recommendations

A2 Definitions of Assurance

Definitions of Assurance Levels		
Level	Description	
Substantial	The framework of governance, risk management and control is adequate and effective.	
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.	
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.	
Definitions of Recommendations		
Priority	Definition	Action required
High (Fundamental)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium (Significant)	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low (Housekeeping)	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.

A3 Statement of Responsibility

We take responsibility to WBC for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpreted amendment and/or modification by any third party is entirely at their own risk

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Mazars is an internationally integrated partnership specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories worldwide, we draw on the expertise of 44,000 professionals – 28,000 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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STANDARDS AND AUDIT COMMITTEE – 24 NOVEMBER 2022

INTERNAL AUDIT CHARTER

Executive Summary

The Internal Audit Charter (Charter) is a formal document that defines the Internal Audit's purpose, authority, and responsibility. It is required under the UK Public Sector Internal Audit Standards (PSIAS). The Charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee (SAC); authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities.

The best practice is for the Charter to be presented annually for approval, which is set out in Appendix 1.

Whilst there have been some minor updates by way of abbreviations of key terms, the substantive content of the Charter has not changed from the one presented and approved by SAC at its meeting in November 2021.

Recommendations

The Committee is requested to:

RESOLVE That the Internal Audit Charter be approved.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

Reporting Person: Leigh Clarke, Finance Director
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Date Published: 16 November 2022

STA22-020

1.0 Introduction

- 1.1 The Internal Audit Charter (Charter) is a formal document that defines the Internal Audit's purpose, authority, and responsibility. It is required under the UK Public Sector Internal Audit Standards (PSIAS). The Charter establishes the Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee (SAC); authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities.
- 1.2 The best practice is for the Charter to be presented annually for approval, which is set out in Appendix 1.
- 1.3 Whilst there have been some minor updates by way of abbreviations of key terms, the substantive content of the Charter has not changed from the one presented and approved by SAC at its meeting in November 2021.

2.0 Implications

Financial and Risk

- 2.1 There may be financial implications regarding implementing internal audit recommendations depending on the nature of the area and recommendations made. However, any such implications are considered by Management as part of the recommendations raised. Some audit recommendations are also designed to improve value for money and financial control.

Internal Audit identifies weaknesses in the control environment. Therefore, implementing recommendations improves the control environment and hence risk management.

Human Resources and Equalities

- 2.2 Some internal audit recommendations need a resource to put in place. There is minimal impact on equality issues.

Legal

- 2.3 The professional responsibilities of internal auditors are set out within UK Public Sector Internal Audit Standards (PSIAS).

REPORT ENDS

Woking Borough Council

Internal Audit Charter

November 2022



Introduction

The Internal Audit Charter (Charter) sets out the terms of reference and serves as a basis for the governance of Woking Borough Council's (Council) Internal Audit function. It sets out the function's purpose, authority, and responsibility following the UK Public Sector Internal Audit Standards (PSIAS). The Charter will be reviewed and updated annually and presented to the Standards and Audit Committee (SAC) for approval.

The PSIAS includes a Mission for Internal Audit which is 'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.

Nature and Purpose

The Council has developed a risk management framework which includes the following:

- Identification of the significant risks in the Council's operations and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Periodic reviews by the Corporate Leadership Team (CLT) of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the Council's risk profile.

Internal control is one of the primary means of managing risk. Consequently, evaluating its effectiveness is central to Internal Audit responsibilities.

The Council's internal control system comprises the policies, procedures and practices, as well as an organisational culture that collectively supports the Council's effective operation in the pursuit of its objectives. The risk management, control, and governance processes enable the Council to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the CLT.

The Council needs assurance over the significant business risks set out in the risk management framework. Also, many other stakeholders, both internal and external, require assurance on the management of risk and other aspects of the Council's business, including Members and regulators. There are also many assurance providers. The internal audit function is the third line of defence in the Council's 'three lines of defence approach' to risk and assurance. The first line of defence comprises the Council's core operational services, and the second line includes the oversight functions such as risk management.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by

bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

Within the Council, Internal Audit Services, including the Head of Internal Audit (HoIA) role on behalf of the Council, are contracted out and delivered by Mazars LLP. Internal Audit provides independent and objective assurance to the organisation, its Members, the Chief Executive, the CLT, and the Chief Finance Officer to help them discharge their responsibilities relating to properly administering the Authority’s financial affairs under S151 of the Local Government Act 1972.

Also, the Accounts and Audit Regulations (2015) specifically require the provision of internal audit services. In line with regulations, Internal Audit provides independent assurance of the adequacy and effectiveness of the Authority’s governance, risk management and internal control systems.

In particular, Internal Audit carries out assurance and consulting activities across all aspects of the Council’s business, based on a programme agreed upon with the SAC. In doing so, Internal Audit works closely with the Authority’s risk owners, service line risk teams, and the CLT.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the Council’s existing processes and procedures can be developed to improve how risks in these areas are managed.

The independent assurance provided by Internal Audit also assists the Council in reporting annually on the effectiveness of the internal control system included in the Council’s Annual Governance Statement (AGS).

Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all Council records and information, both manual and computerised, cash, stores and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter Council property and has unrestricted access to all locations and officers where necessary on-demand and without prior notice. The right of access to other bodies funded by the Council should be set out in funding conditions.

Any restriction (management or other) on the scope of the Internal Audit’s activities will be reported to the SAC.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in its duties and execution of its responsibilities.

Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised and which external audit would need to discharge their responsibilities.

Responsibility

The HoIA is required to provide an annual opinion to the Council, the Chief Finance Officer, and the Chief Executive, through the SAC, on the adequacy and effectiveness of the Council's risk management, control and governance processes. To achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers (such as the external auditors, etc.) such that the assurance needs of the Council, regulators and other stakeholders are met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the Council's business based on a risk-based plan agreed with the SAC.
- Provide the Chief Finance Officer, Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the CLT and the SAC summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud.
- Assist in the investigation of allegations of fraud, bribery and corruption within the Council and notifying management and the SAC of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the SAC. Responsibility for remedial action in response to audit findings rests with line management.

There are inherent limitations in any internal control system, and thus errors or irregularities may occur and not be detected by Internal Audit's work. Unless specifically requested and agreed, Internal Audit will not perform substantive testing of underlying transactions.

Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems, and recommendations for remedial action when carrying out its work. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance with the Council's policies and standards and monitor whether such actions are implemented on a timely basis.

Where appropriate, Internal Audit will undertake assurance or consulting activities for the benefit of the Council in organisations wholly owned or controlled by the Authority. Internal Audit may also assure the Council on third-party operations (such as contractors and partners) where this has been provided as part of the contract.

The SAC is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, any internal control system has inherent limitations. Internal Audit, therefore, provides the Members via the SAC, the Chief Executive and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the Council's governance, risk management and control processes using a systematic and disciplined approach by:

- Assessing and making appropriate recommendations for improving the governance processes, promoting appropriate ethics and values, and ensuring effective performance management and accountability;
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting the Council in maintaining effective controls by evaluating their adequacy, effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value-adding activities includes evaluating risk exposures relating to the Council's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Reporting

For each engagement, Internal Audit will issue a report to the lead auditee identified for each internal audit and the Chief Finance Officer or their nominee, and a summary of the report to the CLT and the SAC.

The PSIAS require the HoIA to report at the top of the organisation, and this is done in the following ways:

- The Internal Audit Charter is reported to the CLT and presented to the SAC annually for formal approval.
- The annual risk-based plan is compiled by the HoIA taking account of the Council's risk management framework and after input from members of the CLT. It is then presented to the CLT and then to SAC annually for comment and formal approval.
- The internal audit budget is reported to Executive and Full Council for approval annually as part of the overall Council budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the HoIA) and the independence of internal audit will be reported at least annually to the SAC through the annual HoIA report.
- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the CLT and SAC on a quarterly basis.
- Any significant consulting activity not already included in the risk-based plan and which might affect the level of assurance work undertaken will be reported to the SAC.
- Any instances of non-conformance with PSIAS must be reported to the CLT and the SAC and will be included in the annual HoIA report. If there is significant non-conformance, this may be included in the Council's AGS.

Independence

The HoIA has free and unfettered access to the following:

- Chief Executive;
- Chief Finance Officer;
- Monitoring Officer;
- Chair of the SAC; and
- Any other member of the CLT.

The independence of the HoIA is further safeguarded as the service is contracted. Also, their annual appraisal ensures it is not inappropriately influenced by those subject to internal audits.

To ensure that internal auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via the contracted suppliers' procedures which include deadlines for:

- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in the contracted supplier must complete);
- Personal Connections (the system for recording interests in securities and collective investment vehicles held by partners, directors and managers, and their immediate family members); and
- Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as advice on implementing new systems and controls. To maintain independence, any audit staff involved in significant consulting activity will not be involved in that area's audit for at least 12 months. However, any significant consulting activity not already included in the audit plan that might affect the level of assurance work undertaken will be reported to the SAC.

External Auditors

The External Auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the External Auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit can follow up on the implementation of internal control issues raised by External Audit. Internal Audit and External Audit can liaise periodically to:

- Plan the respective internal and external audits;
- Discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Due Professional Care

The following standards bind the Internal Audit function:

- Chartered Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- PSIAS;
- Relevant Authority Policies and Procedures; and
- Relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of ongoing performance monitoring and an external assessment by a suitably qualified, independent assessor at least once every five years. An independent EQA of our internal audit services was undertaken in 2019 with full compliance with PSIAS confirmed.

Continuous Professional Development CPD is maintained for all staff working on internal audit engagements to ensure that auditors preserve and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. The HoIA is required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

STANDARDS AND AUDIT COMMITTEE – 24 NOVEMBER 2022

ANTI-FRAUD AND CORRUPTION AND CONFIDENTIAL REPORTING POLICIES

Executive Summary

The Anti-Fraud and Corruption Policy and the Confidential Reporting Policy have been reviewed and updated, and are received by the Standards and Audit Committee on a biennial basis.

Copies of the revised policies are appended to this report with tracked changes showing.

Recommendations

The Committee is requested to:

RESOLVE That the revised Anti-Fraud and Corruption Policy and Confidential Reporting Policy appended to this report be approved.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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Date Published: 16 November 2022

STA22-021

Anti-Fraud and Corruption and Confidential Reporting Policies

1.0 Introduction

- 1.1 The Anti-Fraud and Corruption Policy and the Confidential Reporting Policy have been reviewed and updated, and are received by the Standards and Audit Committee on a biennial basis. Copies of the revised policies are appended to this report, with the proposed changes shown in track-changes. These changes are not substantive (both policies remain “fit for purpose” in their current form, subject to minor changes to contact details etc.).

2.0 Corporate Strategy

- 2.1 The publication of this report demonstrates the Council’s commitment to openness and transparency.

3.0 Implications

Finance and Risk

- 3.1 Reviewing the policies on a regular basis reduces the risk of the Council being subject to fraud.

Equalities and Human Resources

- 3.2 None.

Legal

- 3.3 None.

4.0 Conclusions

- 4.1 The policies have been reviewed and are recommended for approval by the Committee, as slightly amended.

REPORT ENDS

Anti-Fraud and Corruption Policy

Anti-Fraud and Corruption Policy

Policy Agreed

Document Type:	Corporate Policy
Document Name:	Anti-Fraud and Corruption Policy
Document Location:	Information for Employees / Policies
Effective Date:	November 202 20
Review Date:	November 202 42
Owner:	Head of Human Resources
Consultee:	Unison and Corporate Management Group (CMG)
Approved By Date:	2 4 ⁶ th November 202 20
Keywords:	Fraud, Corruption, Money Laundering
Equality Impact Assessment in place:	Yes
Relevant External Law, Regulation, Standards:	Local Government Act 1972, Fraud Act 2006, Bribery Act 2010, Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

Date	Change Details
<u>24 November 2022</u>	<u>Changed titles</u>
26 November 2020	Minor updating amendments
13 December 2018	Moved Policy into new policy template
5 December 2018	Changed reference in document from staff to employees
29 November 2018	Updated job titles and contact details

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1.0 Introduction

- 1.1 This policy sets out the Council's anti-fraud and corruption arrangements and applies to all employees and Members. It also sets out the expectations which apply to the conduct of others engaged by the Council on public sector work, including the conduct of contractors, partners and subsidiaries. The policy encompasses all aspects of Council activity.
- 1.2 The policy complements a range of policies and procedures such as the Code of Conduct for Employees, Members' Code of Conduct, Confidential Reporting Policy, Information Security Policy, Financial Regulations and Standing Orders. The policy should, therefore, be read in conjunction with these policies and procedures.
- 1.3 In administering its responsibilities, the Council is determined to combat fraud and corruption, whether it is attempted on or from within the Council, and is committed to an effective Anti-Fraud and Corruption strategy designed to prevent and detect fraud.
- 1.4 This commitment will result in the desired outcome of creating a zero tolerance culture, promoting high ethical standards, encouraging prevention, promoting detection, and formalising the procedures for investigation. This will assist in minimising the opportunity for fraud and corruption to exist within the Council's systems. This framework is in line with the strategic aims and objectives of the Council in relation to preventing crime and ensuring value for money.
- 1.5 The Council's Anti-Fraud and Corruption strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act.
- 1.6 The Council has a corporate fraud resource which is responsible for the initial investigation of Corporate Fraud, with additional support and expertise brought in through the Council's Internal Audit contract, or other specialist resource, as required.

2.0 Scope

- 2.1 The policy applies to Members and to all employees who work for the Council. The term "employees" includes temporary and agency employees.
- 2.2 In addition, individuals and organisations engaged by the Council on public service work (e.g. contractors and partners) and the Council's subsidiaries are expected to act with integrity and without thought or actions involving fraud or corruption. They should also report suspicions of fraudulent activity.
- 2.3 The framework applies to all aspects of the Council's business. Where fraud and corruption is identified, the Council may actively involve the police, pursue prosecution wherever relevant and take disciplinary action where appropriate.

3.0 Culture

- 3.1** The Council supports the principles of public life set down by the Nolan Committee for Standards in Public Life (as amended and extended by Statutory Instrument 2001/1401) which, whilst introduced for Members, is also considered applicable to Officers:
- **Selflessness:** Holders of public office should serve only the public interest and should never improperly confer an advantage or disadvantage of any person.
 - **Honesty and Integrity:** Holders of public office should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
 - **Objectivity:** Holders of public office should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
 - **Accountability:** Holders of public office should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
 - **Openness:** Holders of public office should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
 - **Personal Judgement:** Holders of public office may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
 - **Respect for Others:** Holders of public office should promote equality by not discriminating unlawfully against any person, and by treating people with respect regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.
 - **Duty to uphold the Law:** Holders of public office should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
 - **Stewardship:** Holders of public office should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.
 - **Leadership:** Holders of public office should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.
- 3.2** The Council is determined that the culture of the organisation is one of honesty and opposition to fraud and corruption. These principles must therefore be adopted by all Members and employees, and will be reflected in our procedures and ways of working in order to assist in the prevention of fraud and corruption.
- 3.3** There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council, such as contractors, partners, suppliers, subsidiary companies and users of Council services, will act with integrity and that Council Members and employees at all levels will lead by example in these matters, ensuring adherence to legal requirements, standing orders, financial regulations, codes of conduct, procedures and professional practices.
- 3.4** The Council's employees are an important element in its stance against fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues which are associated with Council activity. This can be done using the Council's Confidential Reporting Policy (see separate policy) in the knowledge that such concerns will be treated in confidence and investigated properly and fairly

3.5 The Finance Director is responsible for following up on any allegation of fraud or corruption received. He / she will do so in accordance with the procedures laid down in the Council's Financial Regulations and will:

- Arrange for the allegation to be investigated
- Deal promptly with the matter
- Record all evidence received
- Ascertain whether the evidence is sound and adequately supported
- Implement Council disciplinary procedures where relevant

3.6 The Council will adopt a zero tolerance approach to fraud, irrespective of its value. There is an expectation that those who defraud the council or who are corrupt will be dealt with swiftly and firmly. The Council will be robust in dealing with financial malpractice. The Council will also safeguard its employees against unfounded allegations. It will operate fair procedures, and will take disciplinary action against any employee who makes a deliberately false accusation.

4.0 Definitions

4.1 Fraud

The 2006 Fraud Act created, for the first time, a statutory offence of fraud, and defined three ways in which the offence can be committed:

- Fraud by false representation (s.2 of the Act)
- Fraud by failing to disclose information (s.3 of the Act)
- Fraud by abuse of position (s.4 of the Act)

The Fraud Act also makes it an offence (i) to possess any article for use in or in connection with fraud and (ii) to obtain services dishonestly.

4.2 Corruption

Corruption is the offering, giving, soliciting or acceptance of any inducement or reward which may influence any person to act inappropriately.

5.0 Reporting Procedure

- 5.1** Employees are required under Financial Regulations to report all suspected irregularities to the Finance Director. Reporting is essential to the Anti-Fraud and Corruption Framework as it ensures:
- Consistent treatment of information regarding fraud and corruption
 - Proper investigation by an independent and experienced team
 - The optimum protection of the Council's interests
- 5.2** The Council has produced a separate, complementary Confidential Reporting Policy which should be read in conjunction with this part of the Anti-Fraud and Corruption Policy. This provides a clear route by which concerns can be raised by both Members and officers, and those outside the organisation who are providing, using or paying for public services.
- 5.3** Members of the Public are also encouraged to report concerns through any of the above routes, or the Council's Complaints Procedure.

6.0 Responsibilities and Mechanisms for Prevention

- 6.1** The Council recognises that prevention is a key measure in the fight against fraud and corruption.
- 6.2** **Members**
- 6.2.1** Members have responsibility for the active promotion of the Council's anti fraud culture and are required to operate within:
- The Members' Code of Conduct
 - The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
 - Council Standing Orders
 - The Localism Act 2011
- 6.2.2** Members must be seen to act with integrity at all times and, in particular, they must declare any interest that may affect their participation in an issue where this has any bearing on their personal or business life or wellbeing of themselves, their family or close personal associates. These matters are brought to the attention of Members at induction courses run for new Members and are in the Council's Standing Orders.
- 6.3** **Employees**
- 6.3.1** The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage. The Council will establish, as far as possible, the previous record of prospective employees, in terms of their honesty and integrity. Temporary employees should be treated in the same manner as permanent employees.
- 6.3.2** Employee recruitment must, therefore, be in accordance with approved Human Resources procedures. In particular, employment offers should only be made subject to the satisfactory written references and relevant clearance, as required by prevailing safeguarding legislation, being received. Appropriate checks and clearances should also be obtained for volunteers and anybody else engaged by the Council on public services work.
- 6.3.3** Council employees are expected to follow any Code of Conduct related to their personal Professional Institute, and also to abide by the Council's Code of Conduct for Employees.

6.3.4 The Council has in place disciplinary procedures for all categories of employees.

6.3.5 The role that employees are expected to play in the council's framework or internal control will feature in employee's induction courses and ongoing training events. Section 117 of the Local Government Act 1972 imposes a statutory duty of disclosure where officers hold direct or indirect pecuniary interests in Council contracts. The section also prohibits the acceptance of fees or rewards other than proper remuneration. The Council's Standing Orders restate these requirements and additionally provide that officers should disclose interests. The declaration of such external interests as are relevant to employment is given fuller explanation in the Council's Code of Conduct for Employees.

6.4 Internal Control Systems

6.4.1 The Council has Standing Orders and Financial Regulations in place that must be followed by all employees. In addition, the Council has developed procedure and guidance notes in various financial and non-financial areas. All employees must adhere to these.

6.4.2 The Finance Director has a statutory responsibility, under Section 151 of the Local Government Act 1972, for the administration of the Council's financial affairs.

6.4.3 The Council is committed to continuing with systems and procedures which incorporate efficient and effective internal controls designed to minimise risk, including the risk of fraud. These include adequate separation of duties to ensure that error or impropriety is prevented.

6.4.4 Under Financial Regulations, designated employees must ensure that these controls (including those in a computerised environment) are properly documented, maintained and are effective. The existence, appropriateness, and effectiveness of these internal controls are subject to independent review by the Council's Internal Audit Service who takes the risk of fraud into account when planning and conducting their work.

6.4.5 External Audit are required, as part of their statutory duties, to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

6.5 Election Fraud

6.5.1 Election fraud damages the free and fair democratic process of electing representatives to the Council, County Council or Parliament. The Council established an Elections and Electoral Registration Review Panel in 2005 to seek improvements to the quality and accuracy of the Register of Electors and to the security of the vote. [The Elections and Electoral Registration Review Panel shortened its name to the Election Panel in May 2022.](#) The [Election](#) Panel reviews the effectiveness of the controls that have been put in place to minimise the risk of fraud in the compilation of the Electoral Register and in elections. The [Election](#) Panel provides an Annual Report to Council.

6.5.2 Any suspected fraudulent activity will not be tolerated and will be referred by the Returning Officer to the police to investigate.

6.6 Bribery

6.6.1 Bribery is a criminal offence. The 2010 Bribery Act makes organisations and their employees liable for acts of bribery committed in the UK and abroad.

The Act includes four offences:

- Offering, promising or giving a bribe to another person
- Requesting, agreeing to receive or accepting a bribe from another person
- Bribing a foreign public official
- A corporate offence of failing to prevent bribery. An organisation will be liable to prosecute if it fails to stop individuals operating on its behalf from being involved in bribery (due to there being no adequate procedures in place to prevent such actions)

6.6.2 Procedures are in place to prevent and deter bribery. Codes of conduct include formal guidelines over the receipt and reporting of gifts and hospitality (see the Code of Conduct for Employees and the Members' Code of Conduct). Employees are required to make declarations of interest, where relevant.

6.6.3 Officers and Members declare interests at Council meetings, where appropriate. The extent to which Officers and Members should withdraw from the meeting is governed by the relevant Code of Conduct.

6.6.4 Contract Standing Orders set out controls over the invitation, opening and recording of tenders. The contract tendering procedure requires an anti-collusion clause to be signed by tenderers. Contract award procedures also include due diligence checks.

7.0 Liaising with Others

7.1 Arrangements are in place to encourage the exchange of information, in line with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR), between the Council and other agencies on national and local fraud and corruption activity relating to public bodies.

7.2 Data matching is the comparison of persona data held in different systems. One important use of data matching is the identification of potential fraud. The Council participates in the Cabinet Office's National Fraud Initiative and other data matching exercise.

8.0 Money Laundering

8.1 Money Laundering is defined as:

- The process by which the proceeds of crime are concealed, disguised, converted, transferred or removed from England, Wales, Scotland or Northern Ireland
- Being involved in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
- Acquiring, using or possessing criminal property

8.2 Any service within the Council that receives money from an external person or body is potentially at risk from a money laundering operation. Vigilance is therefore vital.

8.3 Those employees considered most likely to encounter money laundering will receive training on how to identify and report suspicions as to the appropriateness of transactions. The Council has nominated the Finance Director as the main point of contact for money laundering issues. Any such suspicion must be reported to the Finance Director who will decide whether it is necessary to, and if so arrange to, file a report with the National Crime Agency (NCA).

8.4 The risk of money laundering in corporate borrowing and lending is managed by applying best practice in the Treasury Management function and adhering to the best practice policies and procedures set out in the CIPFA Code of Practice for Treasury Management.

9.0 Detection and Investigation

9.1 Preventative systems, particularly internal control systems within the Council, have been designed to help prevent and detect any fraudulent activity. It is the responsibility of the Corporate Management Group and Senior Managers to maintain the internal control systems and to ensure that the Council's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

9.2 However, it is often the alertness of employees that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may have been committed or is in progress.

9.3 Despite the best efforts of managers and auditors, many frauds are discovered by chance or by "tip-off" and, as described in section 5, the Council has a Confidential Reporting Policy to enable such information to be dealt with properly.

9.4 The Finance Director is responsible for the investigation of all suspected frauds, thefts or other irregularities. Investigating officers, drawn from the council's fraud team or through the outsourced Internal Audit Service or other specialist provider, will work closely with management to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.

9.5 The Council's disciplinary procedures will be used where the outcome of the audit investigation indicates improper behaviour involving employees.

- 9.6** Where financial impropriety is discovered, the Council's presumption is that the Police will be called in. The Crown Prosecution Service determines whether a prosecution will be pursued. Referral to the Police is a matter for the Finance Director, in consultation with the Director of Legal and Democratic Services. Referral to the Police will not prohibit action under the Council's disciplinary procedure.
- 9.7** The External Auditor also has powers to independently investigate fraud and corruption, and the Council can use his services for this purpose too.

10.0 Reporting of Outcomes

- 10.1** The nature of reports to management will vary depending on the type of alleged fraud being investigated. Any such reports will be treated as confidential.
- 10.2** Where, after investigation, it is believed that a loss may have occurred the Finance Director will report the matter to the Corporate Leadership Team ~~Management Group~~.
- 10.3** Where a suspected fraud or other irregularity is material or could negatively impact on the Council's reputation, the Leader, the relevant member of the Executive and the Chairman of the Standards and Audit Committee must be informed.
- 10.4** On conclusion of the investigation, the Finance Director will consult with the Chairman of the Standards and Audit Committee as to whether it is appropriate to submit a summary report to the Committee. These reports will describe the area investigated, the outcome, action taken to prevent re-occurrence, any losses and action taken to recover such losses. Such reports will be included in Part II of the agenda as confidential items, where appropriate.
- 10.5** The Council's Marketing and Communications Team will co-ordinate any communications with the media arising from an investigation. Employees are not permitted to speak to the media regarding an investigation; failure to comply with this requirement may lead to disciplinary action.

11.0 Training

- 11.1** The Council recognises that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees throughout the organisation.
- 11.2** All employees will be instructed as to what action to take should they suspect fraud or corruption. New employees will receive instruction and advice in the Council's induction training programme. This policy and the Confidential Reporting Policy are available on Ewokplus and on the Council's website.
- 11.3** The Corporate ~~Leadership Team Management Group~~ and Senior Managers will be responsible for ensuring that all employees are properly trained in the procedures they should follow when undertaking their duties. Employees not availing themselves of such training and guidance are clearly at risk of breaching the Council's rules and requirements. It is important that all employees are aware of their responsibilities. Ignorance of these rules and requirements will not be a defence in any resultant disciplinary proceedings.
- 11.4** Employees involved in the investigation of fraud and corruption should also be properly and regularly trained and their training plans will reflect this requirement.

12.0 Summary

- 12.1** The Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.
- 12.2** Consequently, the Council maintains a continuous overview of these arrangements. In particular, Standing Orders and Financial Regulations, various Codes of Conduct and Financial Practice and audit arrangements are subject to regular review. This policy will be subject to biennial review to ensure its currency.

Confidential Reporting Policy

November 2020

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Confidential Reporting Policy

Policy Agreed

Document Type:	Corporate Policy
Document Name:	Confidential Reporting Policy
Document Location:	Ewokplus
Effective Date:	November 202 20
Review Date:	November 202 42
Owner:	Head of Human Resources
Consultee:	Unison and Corporate Management Group (CMG)
Approved By Date:	2 4 ⁶ th November 202 20
Keywords:	Confidentiality, allegations, safeguarding against harassment
Equality Impact Assessment in Place:	Yes
Relevant External Law, Regulation, Standards:	Public Interest Disclosure Act 1998

Date

Change Details

Date	Change Details
<u>24 November 2022</u>	<u>Updated contact details and data protection advice</u>
26 November 2020	Updated contact details
13 December 2018	Moved Policy into new policy template
5 December 2018	Changed reference in document from staff to employees
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1.0 Introduction

- 1.1 This policy is designed for employees so that they may raise concerns in the knowledge that they will be protected under its safeguards. The policy complies with the Public Interest Disclosure Act 1998 which gives statutory protection to any employee who raises concerns in good faith about a possible wrong-doing.
- 1.2 Local government employees have an individual and collective responsibility regarding their conduct and practices which are always subject to public scrutiny. As individuals employees are required to work within Woking Borough Council's Code of Conduct for Employees which is made available to all employees. The Council's regulatory framework also includes standing orders, financial regulations and the standards of the relevant professional organisations to which employees belong.
- 1.3 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. However, if the Council has a chance to deal with a potentially serious problem at the earliest opportunity this can reduce the damage that may be caused to persons, property or the Council's reputation.
- 1.4 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment all employees have a duty to bring to the attention of management any deficiency in the provision of service and any impropriety or breach of procedure in accordance with paragraph 5.1 of the Anti Fraud and Corruption Policy which reflects Financial Regulations. It is recognised that most cases will have to proceed on a confidential basis.
- 1.5 Employees who are aware of another employee committing any acts of wrong-doing who decide to ignore these actions and do not report their concerns may themselves also be subject to disciplinary action for knowingly allowing this wrong-doing to continue.
- 1.6 This policy document makes it clear that employee can raise concerns without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting policy is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside.
- 1.7 The policy applies to all employees and those contractors engaged by the Council on public service work. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, temporary accommodation for the homeless. Partners and subsidiaries are also expected to meet the expectations set out in the policy.
- 1.8 These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. Employees are responsible for making service users aware of the existence of these procedures.
- 1.9 This policy has been discussed with the relevant trade unions and professional organisations and has their support.

2.0 Aims and Scope of this Policy

2.1 This policy aims to:

- Encourage employees to feel confident in raising serious concerns and to question and act upon concerns about practice;
- Provide avenues for employees to raise those concerns and receive feedback on any action taken;
- Ensure that employees receive a response to their concerns and are aware of how to pursue those concerns if they are not satisfied;
- Reassure employees that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made any disclosure in good faith.

2.2 There are existing procedures in place to enable employees to lodge a grievance relating to their own employment (reference: Grievance Policy and Anti-Bullying and Harassment Policy). The Confidential Reporting Policy is intended to cover major concerns that fall outside the scope of other procedures. These include:

- Conduct which is an offence or a breach of law;
- Disclosures related to miscarriages of justice;
- Health and safety risks, including risks to the public as well as other employees;
- Damage to the environment;
- The unauthorised use of public funds;
- Possible fraud and corruption;
- Sexual or physical abuse of clients; or
- Other unethical conduct.

2.3 Thus, any serious concerns that employees have about any aspect of service provision, or the conduct of officers or members of the Council, or others acting on behalf of the Council, can be reported under the Confidential Reporting Policy. This may be about something that:

- Makes employees feel uncomfortable in terms of their own standards or experience or the standards that they believe the Council subscribes to; or
- Is against the Council's Standing Orders and policies; or
- Falls below established standards of practice; or
- Amounts to improper conduct.

2.4 This policy does not replace the corporate complaints procedure.

3.0 Safeguards against harassment or victimisation

- 3.1 The Council is committed to good practice and high standards and wants to be supportive of employees.
- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what employees are saying is true, they should have nothing to fear because they will be doing their duty to their employer and those for whom they are providing a service.
- 3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect employees when they raise a concern in good faith.
- 3.4 Where an employee is being considered under the Council's disciplinary or redundancy procedures this will not affect their right to raise a concern under this policy.

4.0 Confidentiality

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal employees identity if they so wish. At the appropriate time, however, employees may need to come forward as a witness or provide a statement as part of the evidence.
- 4.2 The Council will do all that it reasonably can to support the employee once they take the decision to voice their concerns.

5.0 Anonymous Allegations

- 5.1 This policy encourages employees to put their name to an allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In exercising this discretion the factors to be taken into account would include:
 - The seriousness of the issues raised;
 - The credibility of the concern; and
 - The likelihood of confirming the allegation from attributable sources.

6.0 Untrue Allegations

- 6.1 If employees make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, employees make an allegation frivolously, maliciously or for personal gain, action may be taken against them.

7.0 How to Raise a Concern

- 7.1** Financial Regulations require that the Finance Director shall be informed of any possible irregularity affecting the resources of the Council, in order that an independent investigation may be undertaken. However, as a first step, employees may raise their concerns with their immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if employees believe that management is involved, they may approach the Chief Executive, ~~Deputy Chief Executive~~, the Finance Director, the Monitoring Officer, or the Head of Internal Audit. Alternatively employees may wish to raise the matter with their Union representative or a member of Human Resources employees who will be required to report the allegation to the Finance Director. Employees can also raise the matter with the independent charity "Public Concern at Work" by telephoning 020 3117 2520 or e-mailing whistle@protect-advice.org.uk If the matter concerns allegations of fraud or corruption, the Finance Director will be informed in accordance with Financial Regulations.
- 7.2** The Council has produced a separate Code of Conduct for Employees and Anti-Fraud and Corruption Policy that should be read in conjunction with this policy.
- 7.3** Complaints may be raised verbally or in writing. Employees who wish to make a written report are invited to use the following format: the background and history of the concern (giving relevant dates); the reason why they are particularly concerned about the situation.
- 7.4** The earlier employees express the concern; the easier it is to take action.
- 7.5** Although employees are not expected to prove beyond doubt the truth of an allegation, they will need to demonstrate to the person contacted that there are reasonable grounds for their concern.
- 7.6** Advice/guidance on how matters of concern may be pursued can be obtained from:
- Chief Executive, ~~Julie Fisher~~ ~~Ray Morgan~~ (x3333)
 - Finance Director, Leigh Clarke (x3277)
 - Monitoring Officer, ~~Joanne McIntosh~~ ~~Peter Bryant~~ (x3030)
 - Head of Internal Audit, Graeme Clarke (020 7063 4968/07794 031307)
 - Head of Human Resources, Amanda Jeffrey (x3904)
 - The charity "Protect" (020 3117 2520).
- 7.7** Employees may wish to consider discussing a concern with a colleague first and they may find it easier to raise the matter if there are two (or more) employees who have had the same experience or concerns.
- 7.8** Employees may invite a trade union or professional association representative, or a friend to be present during any meetings or interviews in connection with the concerns they have raised. Individuals who raise a concern who are not in direct employment of the Council may elect to bring a friend with them to any meeting or interviews.

8.0 How the Council will respond

- 8.1** The Council will respond to employees concerns. Testing out employees concerns is not the same as either accepting them or rejecting them.
- 8.2** Where appropriate, the matters raised may:
- be investigated by management, internal audit, or through the disciplinary process;
 - be referred to the police;
 - be referred to the external auditor;
 - form the subject of an independent inquiry.
- 8.3** In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.
- 8.4** Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.5** Within ten working days of a concern being received, the Monitoring Officer will write to the employees who made the allegation in confidence:
- Acknowledging that the concern has been received;
 - Indicating how we propose to deal with the matter; giving an estimate of how long it will take to provide a final response;
 - Telling them whether any initial enquiries have been made;
 - Supplying employee with information on employee support mechanisms, and
 - Telling employees whether any further investigations will take place and if not, why not.
- 8.6** The amount of contact between the officers considering the issues and the employee will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from the person who made the allegation.
- 8.7** Where any meeting is arranged, off-site if employees so wish, they can be accompanied by a union or professional association representative or a friend.
- 8.8** The Council will take steps to minimise any difficulties which employees may experience as a result of raising a concern. For instance, if employees are required to give evidence in criminal or disciplinary proceedings the Council will arrange for them to receive advice about the procedure.
- 8.9** The Council accepts that employees need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will be informed of the outcome of any investigation.

9.0 The Responsible Officer

- 9.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger employee confidentiality) and will report as necessary to the Council.

10.0 How the matter can be taken further

- 10.1 This policy is intended to provide employees with an avenue within the Council to raise concerns. The Council hopes that employees will be satisfied with any action taken. If they are not, and if they feel it is right to take the matter outside the Council, the following are possible contact points:

- The charity "Protect" - (020 3117 2520), (whistle@protect-advice.org.uk)
- External Audit, BDO LLP ([Steve Bladen 020 3860 6563](tel:02038606563)~~Leigh Lloyd-Thomas; 020 7893 2616~~)
- The National Audit Office (enquiries@nao.org.uk, whistleblowing hotline 020 7798 7999);
- Trade union (see Woking Unison pages on Ewok for contact details);
- ~~Local~~ Citizens Advice ~~Woking Bureau~~ (03444 111 444);
- Relevant professional bodies or regulatory organisations,
- A relevant voluntary organisation;
- The police

- 10.2 If employees do take the matter outside the Council, they should ensure that they do not disclose confidential information unless required to do so by law. Employees must not communicate any matters relating to the allegation and investigation with the media.

11.0 Monitoring and Reporting

- 11.1 All concerns raised through this procedure will be brought to the attention of the Responsible Officer i.e. the Monitoring Officer, who will monitor how they are dealt with and report on outcomes as necessary.

12. Data protection

- 12.1 When responding to a concern raised under this policy, we will ensure your personal data is handled in accordance with all relevant data protection legislation.
- 12.2 We will not routinely disclose any information about you without your express permission. However, there are circumstances where we must or can share information about you owing to a legal/statutory obligation, for example in order to prevent or detect a crime.
- 12.3 Any disclosures of personal data are always made on case-by-case basis, using the minimum personal data necessary for the specific purpose and circumstances and with the appropriate security controls in place. Information is only shared with those agencies and bodies who have a "need to know" or where you have consented to the disclosure of your personal data to such persons.

