



# Sedgefield

## Town Council

# **CONFIDENTIAL REPORTING CODE INCLUDING ANTI-FRAUD AND CORRUPTION**

*Passionate* about Sedgefield

north east  
england

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## SEDGEFIELD TOWN COUNCIL CONFIDENTIAL REPORTING CODE

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# 1 Introduction:

## 1.1 What is the Code about?:

Employees can sometimes be the first to realise that there may be something seriously wrong with procedures and/or processes within Sedgefield Town Council (the Council). However, they may not always express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear the threat of harassment or victimisation and in these circumstances, they may feel it easier to just ignore their concern rather than report what may just be a suspicion of malpractice.

'Whistleblowing' is the term used when an employee passes on information concerning wrongdoing. This is generally referred to as 'making a disclosure' or 'blowing the whistle'. Whistleblowing law is located in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998).

The Council is committed to the highest possible standards of openness, honesty and accountability. In line with that commitment we expect employees, and others that we deal with, who have any serious concerns about any aspect of the Council's work to come forward and voice those concerns. Wherever possible, employees are encouraged to use relevant Council procedures to report issues in an open and transparent way, because that is the type of organisational culture we are trying to foster. It is recognised, however, that some cases will have to proceed on a confidential basis.

This document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. The Confidential Reporting Code is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside.

Included within this Code is the Council's framework for the prevention and detection of fraud and corruption and the procedures for the reporting and investigation of any occurrences of fraud and corruption (see Section 2).

## 1.2 Who does the Code apply to?:

In carrying out its functions and responsibilities, the Town Council is committed to promoting a culture of honesty, openness and fairness and will not tolerate anything which impedes that. Therefore this Code covers all employees and Councillors. The Code also applies to former employees, former Councillors, job applicants, agency staff working for the Council, contractors and suppliers.

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Town Council employees are expected to abide by the Council’s Code of Our Values and Behaviours and Councillors with the Council’s Code of Conduct. The work of all Councillors and employees is governed by all relevant legal and statutory requirements, the Council’s approved Financial Regulations and Standing Orders and all other relevant policies of the Council.

### 1.3 Aim of the Code:

This Code aims to:

- encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice;
- provide avenues for you to raise those concerns and receive feedback on any action taken;
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied;
- reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in the public interest.

### 1.4 Scope of the Code:

For the Council’s existing employees, there are existing procedures in place to enable you to lodge a resolution (formerly grievance) relating to your own employment (see section 1.5.4.).

Anyone who makes a disclosure under this Code must reasonably believe:

- i. That they are acting in the public interest;
- ii. That the disclosure tends to show past, present or likely future wrongdoing falling into one or more of the following categories:
  - criminal offences;
  - failure to comply with an obligation set out in law;
  - miscarriages of justice;
  - endangering of someone’s health and safety;
  - damage to the environment;
  - covering up wrongdoing in the above categories.

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Examples of the above could include:

- conduct which is an offence or a breach of law;
- health and safety risks, including risks to the public as well as other employees;
- the unauthorised use of public funds;
- negligence;
- unauthorised disclosure of confidential information;
- possible fraud and corruption (see Section ? for further information);
- sexual or physical abuse of children and/or vulnerable young people/adults;
- deliberate concealment of the above matters.

The above list is neither exclusive nor exhaustive.

Thus, any serious concerns that you have, which are in the public interest, about any aspects 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 Code.

## **1.5 Other Procedures:**

This Code covers concerns outside of the following areas and does not replace the following procedures:

### **1.5.1 The Council's Complaints Procedure:**

Complaints by an individual customer or group of customers about the standard of service, actions or lack of actions by the Council should be managed under the Council's Compliment's, Comments and Complaints Policy.

After exhausting the complaints process, a complainant will be advised on how to pursue their case through the Local Government Ombudsman.

### **1.5.2 Financial Procedure Rules and Financial Management Standards:**

Under the Council's financial procedure rules the Town Clerk and Responsible Financial Officer is ultimately responsible to the Council for ensuring that financial procedures are correctly applied and observed by employees and contractors providing services on the Council's behalf. They are also responsible for reporting any known breach or suspected breach of procedures or any failures of financial controls to the Chair of the Town Council and Internal Auditor.

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The Chair of the Council and Internal Auditor must be notified immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources.

See Section 2 of this Code for more detailed information relating to anti-corruption and fraud reporting.

### **1.5.3 Arrestable Offences:**

In any case where the Internal Auditor has reason to believe that an employee of the Council may have committed an arrestable offence, the Chair of the Council and Vice Chair of the Council must be informed and where it is considered an arrestable offence has occurred, the Chair of the Council or the Vice Chair of the Council and Internal Auditor in consultation with CDALC will inform the police.

### **1.5.4 Resolution Procedure:**

The Council's Resolution Policy is designed to ensure that concerns, problems and complaints arising in the course of employment can be raised and resolved quickly and in a fair and reasonable manner. The Resolution Policy exists to provide a mechanism for employees to raise concerns that are not covered by other procedures. The Personnel Committee would take the lead on behalf of the Council in such matters and can access support from DCC's HR Advice and Support Team.

### **1.5.5 Procurement Procedure Rules:**

The Council's procurement procedures details provide the framework for procurement activity across the Council setting out how contracts for goods, works, services and utilities should be put in place and managed, and detailing the record keeping and reporting requirements related to procurement activity. They apply to all areas across the Council and are internally audited.

Details can be found in the Council's Standing Orders and Financial Regulations.

All procurement procedures must:

- realise value for money by achieving the optimum combination of whole life costs and quality of outcome;
- be consistent with the highest standards of integrity;
- operate in a transparent manner;
- ensure fairness in allocation of public contracts;
- comply with all legal requirements and
- support all relevant council priorities and policies including the Medium-Term Financial Plan, and

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If you become aware that there has been a breach of the procurement procedures you can report such a breach using the Confidential Reporting Code.

## **2.0. Anti-Fraud and Corruption:**

### **2.1. Definitions of Fraud and Corruption:**

The Fraud Act 2006 describes fraud as the intention to make gain or cause loss under three main headings:

- Fraud by false representation
- Fraud by failing to disclose information and
- Fraud by abuse of position

There are further sub-headings of fraud described including possession of articles for use in fraud, making or supplying articles for use in frauds, participating in fraudulent business and obtaining services dishonestly. The term fraud is also used to describe such acts as deception, forgery, blackmail, corruption, theft, conspiracy and concealment of material facts and collusion. Fraud can also be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly or the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.

The Bribery Act 2010 defined bribery as *“giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward a person for having already done so, in order to gain personal, commercial, regulatory or contractual advantage”*. Bribery is the most common form of corruption.

The Council must be aware of the risk of fraud and corruption, and put in place measures and whatever possible earmark resources to help prevent and detect fraud and corruption including the operation of management control systems and the maintenance of an effective system of internal audit. Councillors and Officers are required to take

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responsibility for the prevention and detection of fraud and corruption and the proper use of public money and are positively encouraged to raise any concerns regarding fraud and corruption in the knowledge that such concerns will be treated seriously and in strict confidence.

Examples of fraud and corruption:

The following list provides some common examples of what constitutes fraud and corruption, although the list is not exhaustive:

- Theft of Council property
- Unauthorised use of public funds
- Intentional distortion of financial or other records
- Forgery or deliberate alteration of any document eg cheque
- Destruction or removal of records
- Falsifying of expense claims
- Blackmail, conspiracy, concealment of material facts, collusion or disclosing confidential information to outside parties without authority for personal gain
- Computer misuse
- Misuse of intellectual property
- Conduct which is an offence or a breach of law
- Disclosures related to miscarriages of justice
- Health and safety risks, including risk to the public
- Damage to the environment
- Other unethical conduct

## **2.2. Anti-fraud and Corruption Policy Statement:**

Sedgefield Town Council has adopted the following Anti-Fraud and Corruption Policy Statement:

*“It is the policy of the Council to promote a culture of honesty, openness and fairness, which is committed to the prevention and detection of fraud and corruption; to ensure that all instances of fraud and corruption are investigated properly and thoroughly; and to actively pursue the appropriate level of disciplinary action”.*

Section 2 of this Code should be read in conjunction with the Council’s Financial Regulations, which set out the overall framework for the proper management of the Council’s financial affairs. The aim of this Section is to protect the Council against the

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risk of fraud and corruption either from within or outside the organisation and achieve the following objectives:

- Promote a culture of honesty and integrity, and a zero tolerance approach to fraud and corruption
- Encourage prevention and deterrence of fraud and corruption by ensuring openness, transparency and honesty in the provision of all services and the undertaking of Council business both internally and externally
- Ensure effective systems of internal control including segregation of duties, financial procedures and sound management controls are in place to help to prevent fraud
- Promote detection of fraud by ensuring compliance with internal control systems and financial procedures supported by regular monitoring and review by internal audit
- Ensure formal reporting systems are in place and are being used to support and give confidence to members, employees, members of the public or third parties who may wish to raise any concerns they have, associated with the Town Council's activity
- Investigate thoroughly and effectively any allegation of fraud and corruption received
- Identify a clear procedure for investigation that is understood and that will respond sensitively and efficiently to any concerns raised and
- Set out the policy and procedure for the recovery of any losses associated with fraud.

### **2.3. Anti-fraud and Corruption Culture:**

This Council is committed to promoting a culture of honesty, openness and fairness which supports its zero tolerance approach to fraud and corruption.

The prevention and detection of fraud and corruption and the protection of public resources are the responsibility of all Councillors and employees of the Council.

All Councillors and employees of the Council are positively encouraged to raise any concerns regarding fraud and corruption in the knowledge that such concerns will be treated seriously and in strict confidence.

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Those who defraud the Council, are proven to be corrupt or who instigate financial malpractice will be dealt with swiftly and firmly and with the appropriate level of disciplinary action.

Where fraud and corruption have occurred due to a breakdown in internal controls, systems or procedures, internal audit arrangements are in place, to ensure that the appropriate improvements in the systems of control are implemented in order to prevent a reoccurrence.

#### **2.4. Prevention of Fraud and Corruption:**

Whilst absolute guarantees that fraud and corruption can or will be prevented cannot be given, there are ranges of measures and internal controls in place already, which are designed to minimise such risk. These can be broadly categorised into the following broad areas:

- Employee obligations
- Member obligations
- Internal control and internal audit
- Partnership working

#### **2.5. Employee Obligations:**

The Council is entitled to expect, and is obliged to maintain, high standards of conduct among its employees to ensure that public confidence in their integrity, honesty and impartiality is not undermined.

The public is entitled to demand conduct of the highest standard and that employees work honestly and without bias in order to achieve the Council's objectives.

The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record and propriety and integrity of potential employees. In this regard temporary and casual employees are treated in the same manner as substantive employees.

The Council will ensure that formal recruitment procedures are followed and, in particular, will obtain written references in respect of potential employees before employment offers are made and contracts of employment have been issued.

Job descriptions and person specification will also be put in place for all employees that clearly define duties, responsibilities and lines of communication.

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The Council will ensure that all employees are aware of their responsibilities in relation to the prevention of fraud and corruption and copies of this Code will be made available to all employees and also distributed to new employees during the induction process.

## **2.6. Councillor Obligations:**

All members are intrinsically expected to operate honestly and without bias. Their conduct will be governed by the Council's Code of Conduct, Standing Orders and Financial Regulations.

These matters and any other appropriate guidance will be specifically brought to the attention of members as and when required including information on expected levels of conduct, member/officer relations, private interest and hospitality disclosures, hospitality and eligibility to allowances.

The Council's Committee structure includes a Policy & Resources Committee, supported by a Policy & Records Management Working Group and Finance Working Group, and Personnel Committee where issues such as policies and procedures, internal controls, performance standards, service delivery and ethical standards, as well as general scrutiny of Council services and internal control procedures, will be regularly considered.

Members will be specifically required to record their financial and other interests and record any receipt or offering of gifts or hospitality in accordance with the requirements set out in the Council's Code of Conduct and Gifts and Hospitality Policy.

Members must also disclose any such interests in the matters under discussion at any meeting or Committee of the Council.

## **2.7. Internal Control and Internal Audit:**

The Council's Standing Orders and Financial Regulations provide the framework within which employees and Councillors should act when dealing with the affairs of the Council and providing services.

The Financial Regulations provide the framework rules for the management of the Council's financial affairs. The Standing Orders for Contracts and Procurement provide the framework rules for the procurement of all works, goods, materials and services and also set out the Council's tendering and contract procedures. Together they help to ensure a high level of financial integrity across the Council's services and activities.

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Significant emphasis is also placed on the implementation and monitoring of financial policies, systems, procedures and controls in support of the overall Financial Regulations and every effort will be made to continually review and develop these in line with best practice to ensure efficient and effective internal controls.

Employees are charged with the responsibility of ensuring that proper internal controls are in place within their work area and for reviewing regularly the effectiveness and appropriateness of such controls especially in relation to the deterrence and detection of fraud and the monitoring and control of high risk areas.

The adequacy and appropriateness of the Council's financial systems and controls will also be independently monitored and reviewed by both internal and external audit.

To ensure the effective use of the Council's internal audit responses and identify and recognise the potential high risk areas, the Council's internal auditor is a member of the Council's Finance Working Group and the Council's Policy & Resources Committee approves an Annual Internal Audit Plan.

The Internal Audit Plan provides the framework for internal audit activity within the overall financial control environment. Completed audit reports are considered by the Finance Working Group and then submitted to the Full Council via the Policy & Resources Committee, with details on the progress of audit work and any major issues being highlighted. Action plans are put in place to ensure that any required improvements to internal controls by Internal Audit are implemented.

Managerial and Internal Audit attention will be specifically drawn to the following key areas of internal control:

- Handling and security of cash
- Security of assets
- Stock control and checking
- Keeping of accounting and financial records
- Regular reconciliation processes
- Budget monitoring and control
- Appropriate levels of delegated authority
- Ordering of goods and tendering for contracts
- Certification of purchase orders and expenditure
- Effective management of staff
- Any other high risk areas identified by internal audit

## **2.8. Working With Partnerships:**

The use of established networks of similar organisations provides an essential element in suppressing fraud and corruption.

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The Council will continue to liaise with numerous organisations including, but not restricted to:

- Smaller Authorities Proper Practices Board (SAPPB)
- National Association of Local Councils (NALC)
- Society of Local Council Clerks (SLCC)
- Other local authorities / councils
- Government departments, e.g. HM Revenue and Customs

## **2.9. Detection of Fraud and Corruption:**

The Council's system of governance and financial management, as set out in the Standing Orders and Financial Regulations, supporting policies and procedures and the system of internal control help to ensure that appropriate controls, checks, reconciliations, analytical review and internal audit procedures are in place to deter fraudulent and corrupt activity.

This is supported by a system of supervision and management that ensures monitoring and control of staff which will help to highlight any unplanned, unexpected or potentially fraudulent or corrupt activity.

The Council has put formal arrangements in place via this Confidential Reporting Code and the Compliments, Comments and Complaints Policy to ensure that any suspicions or concerns of Councillors, employees and the public are dealt with confidentially, properly and promptly.

The Financial Regulations, Standing Orders, Code of Conduct and array of policies, procedures and preventative systems, in particular the system of internal control, taken alongside the work of the Internal Auditor, the implementation of the Annual Audit Plan and the annual audit inspection by the nominated external auditor should be sufficient to deter fraud and provide any indications of any actual fraudulent activity.

In addition, when actual fraudulent or corrupt activity does occur, these systems, controls and internal audit activity should, in the majority of cases, assist in revealing the occurrences.

However, in many cases, it is often the alertness of Councillors, employees or members of the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

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At such, sometimes, despite the best efforts of managers and auditors, frauds are sometimes discovered by chance remark or “tip off”. As part of this Code, the Council has in place a formal Fraud and Corruption Reporting and Investigation Procedure to enable such information to be reported and properly dealt with. See Appendix A.

## **2.10.Reporting of Fraud and Corruption:**

Councillors and employees are an important element in the Council’s zero tolerance approach to fraud and corruption. Concerns that they have will be treated in strictest confidence and will be properly investigated.

The Town Clerk will usually be the first contact for an employee to raise a concern, but if further investigation is deemed necessary, other staff may need to become involved to support as well as the Internal Auditor and External Auditor. If the concern relates to the Town Clerk then the first point of contact will be the Chair of the Town Council or the Vice Chair of the Council in their absence.

The Town Clerk or Chair/Vice Chair of the Town Council will be responsible for following up any allegation of fraud or corruption received and will do so through a clearly defined procedure. The Council will be robust in dealing with fraud and corruption and will deal swiftly and firmly with those involved.

There is, of course, a need to ensure that any investigation process is fair and is not misused and, therefore, any abuse of this procedure such as raising unfounded malicious or vexatious allegations may be dealt with as a disciplinary matter.

See Section 3 of this Code which formally sets out the safeguarding procedures relating to the reporting of such concerns, reassures individuals that they will not suffer repercussions, and encourages those with legitimate concerns to voice them.

Members of the public are also welcome to report concerns, either as a formal complaint or by speaking or writing to any Officer or Councillor. The Council’s Compliments, Comments and Complaints Policy applies in such cases.

Where a tip-off or concerns or an implied tip-off or concern is received from a member of the public by a Member or Officer, it must be reported without delay to the Town Clerk and Internal Auditor.

A formal Fraud and Corruption Reporting and Investigation Procedure has been developed that provide guidance on the process to be followed when employees or members of the public report their concerns or suspicions.

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Appendix A sets out the Fraud and Corruption Reporting and Investigation Procedure which provides the detailed reporting procedures that should be followed.

## **2.11 Investigation of Fraud and Corruption:**

Depending on the nature and the anticipated extent of the allegations, the Town Clerk, Financial Assistant/Receptionist and Internal Auditor will normally work closely with management and other agencies, such as the Police, to ensure that all the allegations are properly investigated, reported and where appropriate, maximum recoveries are achieved.

The follow up of any allegation of fraud and corruption received either from a Member, Officer or member of the public will be through the agreed procedures of the Fraud and Corruption Reporting and Investigation Procedure, which will ensure that:

- Concerns are dealt with promptly and consistently;
- All evidence is recorded and the rules of evidence followed;
- Evidence is sound and adequately supported;
- Where appropriate the Council's insurers and the Police are informed; and
- That the Council's disciplinary procedures are implemented.

Appendix A sets out the Fraud and Corruption Reporting and investigation procedure which provides the detailed investigation procedures that will be followed.

## **2.12 Prosecution:**

Where financial impropriety is discovered, referral to the Police is a matter for the Town Clerk in consultation with the Internal Auditor and the Chairman of the Policy & Resources Committee plus Chairman of the Council.

In deciding whether to recommend referral to the Police the following factors will be taken into account:

- The amount of loss and duration of the offence;
- The suspect's physical and mental condition;
- Voluntary disclosure and arrangement for reimbursement; and
- How strong the evidence is.

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The Town Council's Disciplinary Procedure will be used as appropriate, irrespective of whether there is any Police involvement or not.

### **2.13. Recovery of Losses:**

The Council will seek to recover all losses incurred as a result of fraud and corruption.

The Council's insurance policy includes Fidelity Guarantee which provides cover against instances of fraud and corruption.

Where appropriate the Council's insurers will therefore be informed as soon as possible of any potential loss. Details of the case should also be provided together with an indication of what recovery action is being attempted.

If anyone under investigation offers money in settlement of any losses to the Council, it should be made clear that any monies offered will only be accepted:

- Without prejudice to any other action the Council may wish to take;
- That acceptance is only in respect of losses identified to date;
- And that the Council reserves the right to seek recovery of any further losses that may come to light in the future.

Claims under the Council's insurance arrangements in fraud and corruption cases should be regarded as a "last resort", and will only be instigated once all other appropriate avenues of recovery have been explored.

## **3 Safeguards:**

The Council is committed to good practice and high standards and wants to be supportive of employees.

The Council recognises that the decision to report a concern can be a difficult one to make. If you believe what you are saying is true and the statement being made is in the public interest, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

It is understandable that whistle-blowers are sometimes worried about possible repercussions. The Council aims to encourage openness and will support

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employees who raise genuine concerns under this Code, even if they turn out to be mistaken.

The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in the public interest. This action will depend on the type of concern and specific service arrangements.

Employees or ex-employees must therefore not suffer any detrimental treatment as a result of raising a disclosure. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a disclosure.

Employees must not threaten or retaliate against whistle-blowers in any way. If you are involved in such conduct you may be subject to disciplinary action.

On occasions, you may be asked whether you would be prepared to obtain further information. This would be entirely at your discretion.

Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

#### **4 Confidentiality:**

All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. Any breach of confidentiality will be regarded as a serious matter and will be dealt with accordingly.

Although every effort will be made not to reveal your identity you may however be called as a witness if this matter is progressed.

#### **5 Anonymous Allegations:**

This Code encourages you to put your name to your allegation whenever possible.

Concerns expressed anonymously can be more difficult to investigate. When considering an investigation into an anonymous complaint, the following will be taken into consideration:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

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## 6 Untrue Allegations:

If you make an allegation in the public interest but it is not confirmed by the investigation, no action will be taken against you. If, however, an employee makes an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you under the Council's Disciplinary Policy. If a Councillor makes an allegation for the same reason they will be reported to Durham County Council's Monitoring Officer for investigation.

## 7 How To Raise A Concern:

As a first step, you should normally raise concerns with the Town Clerk or Chair of the Council. This can be done verbally or in writing. Wherever possible concerns should be made in writing direct by the person raising the concerns using the Confidential Reporting Code Form (see Appendix B).

The completed form should normally be reviewed by the receiver to whom the concern has been raised and any points of clarity or additional information noted following any discussion with the person raising the concern.

All concerns will be logged for monitoring purposes and the Internal Auditor notified in order to agree how the concern should be investigated.

In certain circumstances, you may feel unable, or it may not be appropriate, to raise your concerns with the Town Clerk due to the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. If this is the case, the concern can be reported direct to the Chair of the Council using the same form.

The earlier you express the concern the easier it is to take action.

Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

Alternatively, you may wish to seek advice from a person independent of the council.

In this case you should contact the **Councils' Internal Auditor, Mr Gordon Fletcher**

Mr Gordon Fletcher

Email: [gorhaz@hotmail.co.uk](mailto:gorhaz@hotmail.co.uk)  
Mobile number: 07940 146513

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OR the Council's **External Auditors, Mazars:**

Mazars LLP	Address: 26 Mosley Street, Newcastle Upon Tyne 0191 383 6300
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**OR alternatively you can seek advice at the following independent whistleblowing charity:**

Public Concern at Work	Address: CAN Mezzanine 7-14 Great Dover Street London SE1 4YR Website: <a href="http://www.pcaw.org.uk">www.pcaw.org.uk</a> email: <a href="mailto:whistle@pcaw.org.uk">whistle@pcaw.org.uk</a> 020 7404 6609 (Whistleblowing Advice Line) 020 3117 2520 (General Enquiries)
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You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

You may invite your trade union, professional association representative or a work colleague to be present during any meetings or interviews in connection with the concerns you have raised.

Ideally you should feel able to make a disclosure within the Council, however, there may be circumstances where you feel unable to. You can make a disclosure under whistleblowing law to prescribed person(s) who are mainly regulators and professional bodies but include other persons and bodies such as MPs. The relevant prescribed person depends on the subject matter of the disclosure, for example a disclosure about wrongdoing in a care home could be made to the Care Quality Commission. A full list of prescribed persons can be found in Appendix C.

## **8 How The Council Will Respond:**

The Council will respond to your concerns. Following the recording of the concern, either directly by the whistle-blower or the person to whom it was reported, the completed form should then be immediately forwarded to the Internal Auditor for logging and monitoring purposes.

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The Internal Auditor is independent and has unlimited access to any Officer, member or information within the Council, and in consultation with the appropriate Officer, can agree the most appropriate way of investigating the concern.

Where appropriate, the matters raised may:

- be investigated by internal audit or through the disciplinary process (if the latter then the Personnel Committee will take the lead);
- be referred to the police;
- be referred to the external auditor;
- form the subject of an independent inquiry.

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 principles, which the Council will have in mind, are your well-being and the public interest. Concerns or allegations that fall within the scope of specific procedures (for example, discrimination, bullying, harassment, performance issues etc) will normally be referred for consideration under those procedures.

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.

Within fifteen working days of a concern being raised, the person with whom you have raised your concern will respond to you in writing:

- 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 you whether any initial enquiries have been made;
- supplying you with information on employee support mechanisms; and
- telling you whether further investigations will take place and if not, why not.

A copy of the response will be forwarded to the Internal Auditor for monitoring purposes.

The amount of contact between the Officers considering the issues and you 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 you. However, should this further information need to be gleaned by you, from another person, without them being made aware of your involvement in the confidential reporting process, specific procedures will need to be applied.

Should the Town Clerk or Chair of the Council believe that this additional information may assist the enquiry, and that the information can only be obtained by you, no

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action will be taken until the matter has been discussed with the Internal Auditor and a joint decision made as to whether such a course of action is both necessary and proportionate.

**Important:**

All employees must not, under any circumstances attempt to obtain any further information covertly either directly or indirectly without first having complied with the procedures in relation to employee surveillance in accordance with the Regulation of Investigatory Powers Act (RIPA) Policy. Failure to do so may infringe Human Rights and render the Council liable to legal action. Advice must be sought from Durham County Council's HR Advice and Support Team.

Where any meeting is arranged, off-site if you so wish, you can be accompanied by a trade union or professional association representative or a work colleague.

The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

This Code is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken.

If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- the council's External Auditors, Mazars;
- your local Citizens' Advice Bureau;
- the police
- the independent whistleblowing charity Public Concern at Work – telephone 020 7404 6609 or further details are available at [www.pcaaw.org.uk](http://www.pcaaw.org.uk)
- prescribed person(s) as detailed in Appendix C

## 9 The Responsible Committee:

The Policy & Resources Committee has overall responsibility for the maintenance and operation of the Code. The Internal Auditor will maintain a record of concerns raised, appoint an investigator, monitor the progress and record the outcomes (but in

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a form which does not endanger your confidentiality) and will report as necessary to the Policy & Resources Committee.

## **10. Training and Awareness:**

It is recognised that the success and credibility of the Confidential Reporting Code, including anti-fraud and corruption, is dependent on how effectively it is communicated throughout the Council.

This Code will be reported to the P&R Committee for approval every time it is updated, and will be published on the Council's website for the public and other stakeholders to view.

This Code will also be made available to all Officers and will also be incorporated into the Induction Pack for new members of staff.

The success and credibility of the Code will also be reliant upon the effectiveness of the Council's learning and development programme in ensuring that all staff are appropriately trained to undertake their jobs effectively, understand their responsibilities and duties, and properly follow Council policies and procedures. A copy of this Code will be given to all members of staff as part of their induction programme and copies given to existing staff for their reference. Training is also particularly important for Officers involved in internal control systems and the Internal Auditor. Training opportunities regarding such matters will be shared with all Councillors for their consideration with emphasis upon those involved in the Finance Working Group taking up such.

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## APPENDIX A – FRAUD AND CORRUPTION REPORTING INVESTIGATION PROCEDURE

This procedure sets out the process for reporting any suspicions of fraud and corruption and also explains how the Council will then respond and investigate. This should be read in conjunction with the Council’s Confidential Reporting Policy which sets out the process for confidentially reporting any other serious concerns about the Council without fear of harassment or victimisation. The Confidential Reporting Policy covers concerns such as breaches of law, health and safety concerns, poor standards of service, breaches of Council policies, improper conduct, and physical or mental abuse, and is relevant in many ways to the reporting of concerns relating to fraud and corruption covered by this policy.

### Actions Constituting Fraud and Corruption:

To help you determine whether your concern of suspicion may involve fraud or corruption, the following list provides some common examples of what constitutes fraud and corruption:

- Theft of council property
- Unauthorised use of council and public money
- Intentional distortion of financial or other records
- Forgery or deliberate alteration of any document eg a cheque
- Destruction or removal of records
- Falsifying of expense claims
- Blackmail, conspiracy or collusion
- Concealment of material facts
- Disclosing confidential information to outside parties, without authority, for personal gain
- Computer misuse for personal gain
- Conduct which is an offence or a breach of the law
- Disclosures related to miscarriages of justice and
- Other unethical conduct

However, fraud and corruption can constitute many types of unacceptable behaviour and the above list is not exhaustive. Therefore, if in doubt, please do not hesitate to raise your concern or suspicion using this procedure or the Confidential Reporting Policy.

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## Reporting Suspected Fraud:

Suspected fraud can be discovered in many ways but in all cases it is important that Councillors, Officers and public feel able to confidentially report their concerns and are also aware of the means by which they are able to do so.

If a member of staff discovered a suspected fraud, then it must be reported, as a matter of urgency, either in person or in writing, to your Line Manager. However, if for whatever reason, you do not feel able to report the matter to your own Line Manager then you may report your suspicion, in confidence, to any other Manager.

If a Councillor or member of the public discovers a suspected fraud, then it must be reported, as a matter of urgency, either in person or in writing, directly to the Town Clerk or Internal Auditor. If the suspected fraud relates to the Town Clerk then this matter must be reported, as a matter of urgency, either in person or in writing, directly to the Town Council's Chair.

It is crucial that the notifying person does not feel threatened in any way in notifying the suspected fraud. As far as possible the Council undertakes to protect the identity of such persons and not to release the source of notification at any time during the subsequent investigation. At the appropriate time, however, you may need to come forward as a witness. Please refer to the Confidential Reporting Policy for further details.

Whenever a Line Manager receive a report of a suspected fraud they will aim to establish as many of the details and facts as possible, via discussion with the notifying member of staff. The Line Manager will then formally report the incident to the Town Clerk and the Internal Auditor, who will determine what further action needs to be taken.

The Town Clerk is ultimately responsible for all operations of the Council and as such can also be contacted directly by any member of staff regarding suspicions they may have.

If any suspicion involves the Town Clerk then the Internal Auditor may be contacted directly.

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### Investigation Process:

Once fraud is suspected, it is crucial that any investigation is conducted in a professional and prompt manner aimed at ensuring that the current and future interests of both the Council and the suspected individual(s) are protected. The latter is equally important as a suspicion should not be seen as guilty until proved.

The Council's Internal Auditor is responsible for reviewing and reporting on the adequacy of the Council's internal systems, controls and procedures. As part of this responsibility, the Internal Auditor is also therefore the usual means of assisting in the investigation of cases of suspected fraud.

For each notified suspicion, the Town Clerk, Financial Assistant/Receptionist, Internal Auditor and Chair of the P&R Committee will co-ordinate the investigation taking on the role of the Council's Fraud Investigation Group. This Group will seek, if required, specialist Human Resources advice to determine whether there is a need for any Officer to be suspended. Any such decision should be kept under review at all stages of the investigation. The Group will then identify an Action Plan for the management of the investigation, i.e. what needs to be done, by whom, the timetable, the reporting process and the need to ensure that strict confidentiality is maintained at all times.

The Internal Auditor will usually carry out any further investigative work and evidence gathering on a day to day basis. The Internal Auditor will open a file to record chronologically:

- Telephone conversations
- Face to face discussions and interviews
- Evidence received and reviewed
- Record documents reviewed
- Undertake tests and results of those tests
- Stipulate conclusions of the investigation

This file will be indexed and all details will be recorded no matter how insignificant they initially appear.

The Internal Auditor will also ensure that the correct form of evidence is obtained and appropriately retained, witnessed and corroborated that may include:

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- Prime documents
- Certified copies
- Physical items
- Secondary evidence
- Circumstantial
- Hearsay

The Internal Auditor will also ensure that all interviews are conducted in the right manner and in particular that the requirements of the Police and Criminal Evidence Act are complied with when undertaking any interviews with suspects.

Liaison with External Audit and Police:

External Audit:

The SAPPB have a responsibility, by law, to review, in accordance with the Code of Audit Practice for Local Authorities in England and Wales, the arrangements made by Councils to prevent and detect fraud.

The SAPPB also review the adequacy of measures taken by the Authority to limit the possibility of corrupt practices. As such the SAPPB will investigate any concerns that are brought to their attention in respect of fraudulent or corrupt activity.

All local authorities have a duty to report all suspected frauds to its external auditors. This will be done by the Town Clerk at the earliest opportunity.

Police:

The Police are the real experts at investigating fraud and they will also advise on the likely outcome of any intended prosecution.

Initial contact with the Police should only be undertaken following consultation between the Town Clerk and the Chair of the P&R Committee.

If the Police decide a formal investigation is necessary, all employees should co-operate fully with any subsequent requests or recommendations. All contact with the Police following their initial involvement will usually be via the Town Clerk.

Where the police decide to formally investigate this will not prejudice any internal disciplinary procedures and these should continue as normal. However, the internal

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investigation and that of the Police will be co-ordinated to make maximum use of resources and information.

#### Formal Reporting of Fraud Investigations:

At the end of the investigation, a report should be produced which will set out the findings of the investigation, conclusions drawn from those findings, and will be the definitive document on which management (in a disciplinary situation) and possibly the Police (in a criminal situation) will base their initial decisions.

The format of the final report will not always be the same as each case is unique, but will frequently set out the following information:

- How the investigation arose;
- Who the suspect(s) are;
- The suspect's position in the Council;
- How the investigation was undertaken;
- The facts and evidence that were identified;
- Summary of findings and recommendations;
- Additional work required on system or internal control weaknesses identified during the investigation.

All reports must be sustained by the strongest evidence and avoid contents that could be considered to be defamatory in the event of the report being made public.

The Council will give staff as much feedback and information about the final outcome of the investigation as it properly can. Please note, however, that it may not be able to give details about the precise action taken where this would infringe a duty of confidence owed by it to someone else, or where the case is subject to any legal constraints.

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## APPENDIX B - Confidential Reporting Code Form:

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# Private and Confidential

## Confidential Reporting Code Form

<b>To be completed by the person initially raising the concern and/or the manager to whom the concern was raised.</b>	
Name of person raising concern: (may be anonymous)	
Job title:	
Service grouping:	
Contact details:	Tel:  Place of work or home address:   Email:
Relationship with subject of allegations (for example manager, colleague, none, etc.)	

<p>Brief outline of nature of concern and dates.</p> <p>(Please outline nature of concern providing details of suspected wrong doing including name(s), job title(s), date(s), timescale(s), place and other relevant information).</p> <p style="text-align: right;"><b>Please use additional sheets if necessary</b></p>
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**Declaration (may be anonymous)**

Signature:  
(of person raising initial concern)

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Please print name:

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Date:

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**To be completed by the manager to whom the concern was raised:**

Name:

Job title:

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Service grouping:	
Contact details:	Tel:  Place of work:  Email:
Relationship with subject of allegations (for example manager, colleague, none, etc.	
Additional information obtained from the person raising the concern to help clarify the nature of the concern, if applicable.	
<p>Signature: (of person to whom complaint is raised)</p> <p>Please print name:</p> <p>Date:</p>	

The completed form should be forwarded by email to: The Town Clerk at [town.clerk@sedgefieldtowncouncil.gov.uk](mailto:town.clerk@sedgefieldtowncouncil.gov.uk)

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## APPENDIX C – List of Prescribed Persons:

To view click on the link below:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/404330/bis-15-43-blowing-the-whistle-to-a-prescribed-person-list-of-prescribed.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/404330/bis-15-43-blowing-the-whistle-to-a-prescribed-person-list-of-prescribed.pdf)

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