

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

25 June 2007

Report of the Chief Executive and the Director of Finance

Part 1- Public

Delegated

1 REVIEW OF CONFIDENTIAL REPORTING CODE

Summary

This report informs Members of the review of the Confidential Reporting (“Whistleblowing”) Code and asks that the Audit Committee recommend that the proposed changes are endorsed by the General Purposes Committee.

1.1 Background

1.1.1 Members may recall that the Council introduced a Confidential Reporting (“Whistleblowing”) Code as part of the Council’s Anti-Fraud and Corruption Policy. Members of the Policy and Resources Committee approved this Code in September 2000. The Code was designed to comply with the protection to individuals introduced by the Public Interest Disclosure Act 1998.

1.1.2 The Council has a culture of encouraging openness and honesty in its activities and the Code reinforces this approach. In order to promote the Code it is reviewed annually and circulated to staff using Groupwise, Staffnet and the Council web site.

1.2 Reporting Concerns

1.2.1 Concerns raised using the Code have previously been reported to the Audit Committee. Allegations relating to Benefit Fraud are investigated by the Benefit Investigation Section are not treated as being raised through the Code.

1.3 Review of Code

1.3.1 Although the Audit Committee receives reports of concerns raised through the Code the General Purposes Committee retains the responsibility for reviewing and endorsing it. The Code was last reviewed and endorsed by Members of General Purposes Committee in June 2006.

1.3.2 There were no revisions to the Code in 2006. However, there have been two issues that require updating of the Code this year.

- 1.3.3 The introduction of the Corporate Manslaughter legislation has placed greater emphasis on authorities to ensure that they do not allow a culture of bad practice to exist. An additional paragraph s1.3 has been added to the Code to emphasise the need for individual awareness of dangerous situations.
- 1.3.4 The revised Code of Practice for Internal Auditors issued by CIPFA in December 2006 is used to measure Internal Audit performance. It is recognised in the Accounts & Audit Regulations as setting out the requirements for operating “proper accounting procedures”. Members will be aware of a separate report covering this Code of Practice being presented to Members of this Committee.
- 1.3.5 The Code of Practice requires that the Chief Internal Auditor is notified of all suspected or detected fraud, corruption or impropriety. Although this is what happens in practice it was not spelt out in the Confidential Reporting Code.
- 1.3.6 In order to meet this requirement the Code has been amended in s8.2 to comply with this requirement.
- 1.3.7 A copy of the revised Code is attached [**Annex 1**].

1.4 Legal Implications

- 1.4.1 There is a legal requirement for the Council to provide a Confidential Reporting Code and the current version of the Code meets the requirements of the legislation.

1.5 Financial and Value for Money Considerations

- 1.5.1 The provision of a Code that protects individuals raising concerns encourages concerns to be raised at an early stage reducing financial impact.

1.6 Risk Assessment

- 1.6.1 The Code encourages concerns to be raised by individuals and ensures that they are investigated consistently.

1.7 Recommendations

- 1.7.1 Members are asked to **RECOMMEND** endorsement of the Code to the General Purposes Committee.

Background papers:

contact: David Buckley

CIPFA Code of Practice for Internal Auditors

David Hughes
Chief Executive

Sharon Shelton
Director of Finance