

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

15 January 2024

Joint Report of the Director of Finance and Transformation and Interim Chief Executive

Part 1- Public

Delegated

1 BIENNIAL REVIEW OF ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND WHISTLEBLOWING POLICY

This report informs Members of the outcome of the biennial review of the Council's Anti-Fraud, Bribery and Corruption Policy and Whistleblowing Policy.

1.1 Introduction

1.1.1 The Anti-Fraud, Bribery and Corruption Policy is used to provide structure to the combating of fraud, bribery and corruption, which the Council may be subject to.

1.1.2 The Whistleblowing Policy provides employees and elected councillors with information about how they may report concerns regarding breaches of laws, regulations, policies or procedures committed by other employees or elected councillors of the Council. It also outlines how the Council will deal with those concerns once they have been reported.

1.2 Anti-Fraud, Bribery and Corruption Policy

1.2.1 The Anti-Fraud, Bribery and Corruption Policy was last reviewed by the Committee in January 2023. This latest review has identified three additional fraud/ error risks, namely;

- **Grant Funding**, due to a number of grant funding schemes being facilitated through TMBC.
- **Procurement Fraud** is an inherent risk faced by all organisations.
- **Mandate Fraud** due to the increased threat this risk has posed over the past two years.

- 1.2.2 The Economic and Corporate Transparency Act 2023 introduces a new offence of failure to prevent fraud. The strategy has been updated to reflect the need for managers to assess this risk both internally and across any services that are contracted out.
- 1.2.3 Enhancements to roles and responsibilities has included the need for the Chief Executive to ensure new initiatives, strategies and policies have relevant risk assessments and fraud response plans to ensure the right tone and challenge occurs from the top of the organisation.
- 1.2.4 The responsibility of the Chief Executive has also been updated to ensure that directors assess the risk of fraud being committed against individuals or organisations within the services they manage.
- 1.2.5 There has also been enhancements to ensure managers are clear in their responsibility to ensure new initiatives, strategies and policies have fraud risk assessments and fraud response plans in place.
- 1.2.6 Managers are also required to capture any relevant fraud and error risks within their service risk registers (to support better risk management practices). In addition managers involved in procurement capture pre and post contract fraud and error risks within their procurement plans.
- 1.2.7 A copy of the Anti-Fraud, Bribery and Corruption Policy, is attached at **[Annex 1]**.

1.3 Whistleblowing Policy

- 1.3.1 The Whistleblowing Policy was last reviewed by the Committee in January 2022. This latest review found that, other than some minor amendments, no changes are required to bring it up to date with best practice.
- 1.3.2 It is noted the Government have started a review of the whistleblowing framework with the evidence gathering stage concluding in the Autumn of 2023. This may take into account the EU Whistleblowing Directive and will be part of the forthcoming Whistleblowing Bill, however this has yet to make its way through parliament.
- 1.3.3 A copy of the updated internal Whistleblowing Policy is attached at **[Annex 2]**.
- 1.3.4 The Whistleblowing Procedure can be found at **[Annex 3]**.
- 1.3.5 In addition, and in line with best practice it is recommended that an external policy is made available to support those working externally to TMBC who may witness wrongdoing by officers and councillors. This policy will provide the details on who and how to raise concerns a copy of the policy is attached at **[Annex 4]**.

1.4 Action Following Approval of the Policies

- 1.4.1 The policies, once approved, will be circulated to all staff with computer access using Net Consent and made available on the Council website.

1.5 Legal Implications

- 1.5.1 The Anti-Fraud and Corruption Policy will be a mandatory policy to meet the requirements of the Economic and Corporate Transparency Act 2023 as well as comply with best practice.

1.6 Financial and Value for Money Considerations

- 1.6.1 Fraud prevention and detection is an area subject to central government focus with initiatives such as the National Fraud Initiative and Fighting Fraud and Corruption Locally Strategy. The message coming from these initiatives is that effective fraud prevention and detection releases resources and minimises losses to the Council through fraud.
- 1.6.2 These policies comply with recognised best practice and reinforce the zero-tolerance stance of the Council towards fraud.
- 1.6.3 Providing clear guidelines to staff on how they may report concerns of inappropriate conduct or fraud strengthen the Council's zero tolerance approach to fraud, bribery and corruption.

1.7 Risk Assessment

- 1.7.1 The policies reflect best practice and the culture of the Council and aimed at minimising the risk of fraud, bribery and corruption. The policies are supported by the internal control mechanisms in place and form part of the overall control environment of the Council.
- 1.7.2 While there is no statutory requirement to have an appropriate mechanism for dealing with whistleblowing, it is relevant to helping the Council comply with associated law. Failure to have an adequate whistleblowing mechanism carries significant reputational risk.

1.8 Equality Impact Assessment

- 1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Policy Considerations

- 1.9.1 Crime & Disorder Reduction

1.10 Recommendations

- 1.10.1 Members are asked to review and, subject to any required amendments, **approve** the Anti-Fraud, Bribery and Corruption Policy attached at **[Annex 1]**.
- 1.10.2 Members are asked to review and, subject to any required amendments, **recommend** that the Whistleblowing Policy attached at **[Annex 2]** is approved by the next General Purposes Committee.
- 1.10.3 Members are asked to delegate to officers to make any necessary amendments to key contacts held within the Whistleblowing policy as and when they occur.

Background papers:

contact: James Flannery

Nil

Sharon Shelton
Director of Finance and Transformation

Adrian Stanfield
Interim Chief Executive