

Dated this 4th Day of July 2017

NOTICE IS HEREBY GIVEN that a meeting of the AUDIT AND GOVERNANCE COMMITTEE will be held in the COUNCIL CHAMBER at MAGHULL TOWN HALL on WEDNESDAY 12^h July 2017 at 6.30pm

Note: DECLARATIONS OF INTEREST – If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Town Clerk at least 24 hours in advance of the meeting.

A G E N D A

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Public Participation
- 4 Minutes of the Previous Meeting – Minutes of the Meeting Held on 19th April 2017 are attached for approval (Pages 1 - 5)
- 5 **Internal Audit Report Quarter 4 2016/17** – Members are asked to note the Internal Audit Report (To follow)
- 6 **Work Programme** - Members are asked to consider the Work Programme (Pages 6 - 7)
- 7 **Preventing Fraud by Staff** - Members are asked to consider the report (Pages 8 - 28)
- 8 **Exclusion of the Press and Public**
That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

PTO

- 9 **Update on Lease Agreements and Late Payers** - Members are asked to note the report (Pages 29 - 32)
- 10 **Chair's Report** – for noting only

A handwritten signature in black ink, appearing to read "A. McIntyre". The signature is written in a cursive style with a large initial "A" and a trailing flourish.

Miss A. McIntyre
Town Clerk & Treasurer

MAGHULL TOWN COUNCIL
AUDIT & GOVERNANCE COMMITTEE MEETING
HELD 19TH APRIL 2017

PRESENT – Councillor J. Sayers (In the Chair) and Councillors: Desmond, Hart, Roughley and Y Sayers.

ALSO PRESENT – A. McIntyre (Town Clerk) A. Spencer (Operations and Contracts Manager) and S. Larking (minutes).

1. APOLOGIES FOR ABSENCE – Apologies were received from Cllrs Carlsen and R. Deegan.

2. DECLARATION OF INTERESTS – None.

3. PUBLIC PARTICIPATION – None

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED that: The minutes of the meeting held on 18th January 2017 were a correct record.

5. INTERNAL AUDIT REPORT QUARTER 3 2016/17

The Town Clerk reported that overall it was a good report from the Auditor. The Auditor refers to the Local Government Transparency Code 2014 on page 8. There is a reference to Maghull Town Council not having a constitution. The Auditor has been told on a number of occasions that the Council has Standing Orders rather than a constitution.

Cllr Roughley asked about the review of legal power used on expenditure. The Town Clerk reported this was about the move to paying by BACS rather than cheques. Cheques required signature from 2 Cllrs which could lead to delays in payments. BACS is much quicker. The process for making BACS payment is that one person inputs and another authorises the payment.

Cllr Desmond asked about unsigned Purchase Orders including a purchase from Amazon. The Town Clerk reported this was an oversight. It was smaller issues that had been identified.

Cllr Hart asked for clarification about VAT receipts. The Town Clerk reported that the Council should use VAT registered suppliers as VAT can be claimed back. Reclaiming VAT generated approximately £30,000. However, some suppliers, e.g. the window cleaner, were not VAT registered.

RESOLVED that: The Internal Audit Report Quarter 3 be noted.

6. REVIEW OF STANDING ORDERS, FINANCIAL REGULATIONS AND SCHEME OF DELGATION

The Town Clerk reported that there is a requirement to review the Councils' Standing Orders, Financial Regulations and Scheme of delegation on an annual basis. As there is a resolution to review the Municipal Calendar to reduce the number of meetings this presents an opportunity to increase financial thresholds to allow the

council to operate efficiently. Currently the regulations allow for officers to spend up to £2,000 if included in the budget. This is very low for a Council of Maghull's size. The Committee structure sets the policy and strategic direction and allows officer to deliver the work plan. Works between £10,000 and £25,000 require 3 quotes and tenders are required for works over £25,000.

Cllr Desmond reported that he didn't want the number of meetings reduced and that some Parish Councils met monthly. The Town Clerk reported that the legislation required 4 meetings a year. Some Parish Councils hold meetings to discuss planning applications. Maghull Town Council had taken the view that it would only deal with major planning applications. The revised Municipal Calendar, to be presented to Full Council on 24 May, proposed 25 meetings. For this reason the regulations needed to be changed as the limits were so low.

Cllr Desmond said he was in favour of reducing meetings but keeping financial delegations at the same level. It was noted that if the delegations aren't increased there is a risk of long agendas and delay in delivering projects. The Town Clerk gave the example of the Outdoor Performance Space which had to go out to tender as the costs will be approximately £25,000. Under the proposed arrangements of seeking 3 quotes the band stand would have been built and available for events. The current arrangements require a procurement exercise, led by Sefton which is an additional cost.

Views were invited from other Cllrs. Summary of key points

- Lower tender limit to £20,000 to be prudent
- Support for £25,000 limit to allow officers to get on with their job. Need to progress work plan and generate income
- In past Council not well run. Made good progress and now more professional; Officers are trusted and scrutinised.
- Call for papers to be issued earlier if fewer meetings and agendas are longer as need more time to consider
- Discussion about the lower financial limit with proposals for £5,000, £7,500 and £10,000. It was agreed that the limit be increased to £7,500 as a move towards £10,000 in due course
- Support for fewer meetings as some Cllrs struggle with domestic and work commitments

In response the Town Clerk noted:

- Legislation requires Principal Authorities to issue papers 7 working days in advance of meetings. For Parish/Town Councils it is 3 days. Maghull Town Council are aiming for 7 working days
- On the lower threshold, welcome the increase to £7,500 limit, This would help deliver the work programme and allow officers to demonstrate they are trustworthy

Cllr Desmond asked for clarification about public participation. The Town Clerk explained that this allowed the public to ask questions through the Chair. He also asked if the revised Municipal Calendar included fewer meetings. The Town Clerk reported that the revised Calendar, to be presented to Council on 24 May, included fewer Full Council and Finance and Amenities meetings. Council Committees - Audit and Governance, Community Support and Engagement and Personnel would continue to meet quarterly.

RESOLVED that:

- 1. Revised Standing Orders be presented to Council;**
- 2. Revised Financial Regulations be presented to Council;**
- 3. Revised delegations be presented to Council with the following changes:**
 - a. Works with an estimated value of up to £7,500 requires best value**
 - b. Works with an estimate value between £7,500 and £25,000 requires 3 quotes**
 - c. Works with an estimated value in excess of £25,000 are procured on the basis of a formal tender**
- 4. That the report be noted.**

7. RISK REGISTER

The Town Clerk reported that the Council's Risk Register should be reviewed annually. There had been some minor updates to reflect changes to banking services.

RESOLVED that: The report be noted.

8. FIXED ASSET REGISTER

The Town Clerk reported that the fixed asset register included land and buildings. The register is being revised to include all assets over £100 including the Mayoral chain. This will be presented at the next meeting.

RESOLVED that:

- 1. An updated register to be presented at the next meeting;**
- 2. The report is noted.**

9. UPDATE ON SERVICE STANDARDS AND MONITORING

The Operations and Contracts Manager reported that mechanisms are being developed to monitor the service standards. He will present a full report at the next meeting.

RESOLVED that:

- 1. A report on monitoring service standards to be presented at the next meeting;**
- 2. The report is noted.**

The report is noted.

10. EXCLUSION OF THE PRESS AND PUBLIC

Resolved that the press and public be excluded due to the confidential nature of the item under discussion.

11. UPDATE ON TENANCY AND LEASE AGREEMENTS

The Operations and Contracts Manager referred to the table in the report which included all Town Council assets hired by individuals or community groups. This included details of the lease and payment arrangements.

Running Horses FC

Members raised the following points:

- Concerned that still unclear what Running Horses FC want the pavilion for
- Plans for the development of the pavilion needed
- Decision will be made based on advice from Officers. Any enquires from Running Horses should be referred to Officers

In response the Town Clerk reported:

- There is a prima facie agreement in place for Running Horses at Balls Wood as negotiations with Running Horses FC ongoing.
- Issue about rental charge for hut. Town Council have to charge rent at the market value.

Melania Dance School

The Operations and Contracts Manager reported that he met the tenants in March to discuss the dance school and poor payment record. The tenant agreed to set up a Standing Order to pay rent monthly. This has not been set up. A further meeting had been requested but no response received. This matter needs to be escalated in line with the Council's late payer policy. Some issues about the building have been resolved by the Engineering Team.

In response Cllrs made the following points:

- The tenant is a persistent bad debtor, there should be zero tolerance
- Late payers policy to be applied
- Want to spend money in Maghull and bad debtors impacting on ability to do this

Maghull Tennis Club

The Operations and Contracts Manager reported that there are issues about maintenance of the tennis courts including a build-up of moss. Action in hand to deal with the moss. But, some tree work may be required to tackle the cause. The Tennis Club are being kept informed and are happy.

Maghull Cricket Club

The Town Clerk gave an update on negotiations with the Cricket Club's Management Committee about the lease. She reported that the Negotiating Team (Cllrs Burns, Carlsen and J.Sayers) had met the Cricket Club. The Cricket Club had been asked to agree the terms and sign the lease. There will be no further negotiation. The Club have been issued with a licence to occupy as there is no agreement in place. The Town Council have stopped collecting waste and bottles and testing emergency

lights. There is no guarantee that the Club will sign the lease. The Management Committee are planning to meet after Easter and then hold an Extraordinary General Meeting for all members. From questions raised at the recent Town Assembly it was clear that the Management Committee are not passing on details to members. For example Members were told the charges would be £23,000 a year not £2,250 for rent and bills. Members were also interested in the Council's reserves and why they couldn't be used for the Cricket Club and if the Council had plans to build on the land.

RESOLVED that:

- 1. Tenant of Moorhey Scout Hut to be pursued for non-payment and zero tolerance applied**
- 2. The Report be noted.**

12. CHAIR'S REPORT

No report given.

CHAIRMAN

**REPORT OF THE
TOWN CLERK**

To the Chair and Members
Meeting held 12 July 2017

6. Work Programme

The proposed work programme for the year is attached. As stated within the minutes of the last meeting the Fixed Asset Register was due for consideration at this meeting. However, due to the change in priorities with the Outdoor Performance Area and the Neighbourhood Plan this has not yet been fully completed. Therefore, it will roll to the meeting in October.

Members are asked to approve the work programme.

- 1. That the work programme be approved.**

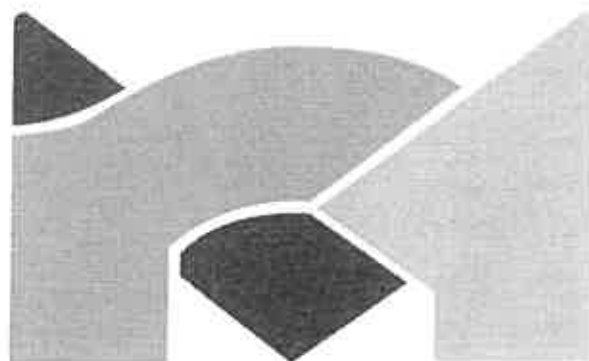
Work Programme Audit & Governance Committee

Date of Audit Committee	Suggested Work Topics	Actions Agreed	Result
2017.07.12	Asset Register Prevention of Fraud by Staff	To roll to October meeting	
2017.10.04	Review of Payment Authorisations Monitoring of Auditor Recommendations Monitoring of Trading Company		
2018.01.17	Risk Register and Review Data Transparency		
2018.04.25	Review of Standing Orders Review of Financial Regulations Review of Scheme of Delegation Monitoring of Trading Company		

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Maghull Town Council

Anti-Fraud and Corruption Strategy



July 2017

1. INTRODUCTION

1.1 This strategy has been developed by the Council as part of its policy of openness and scrutiny.

1.2 The Council has adopted the Model Code of Conduct and is committed to sound corporate governance. It supports the Nolan Committee's 'Seven principles of Public Life' for the conduct of Council Members and employees, namely:

- Selflessness;
- Integrity;
- Objectivity;
- Accountability;
- Openness;
- Honesty; and
- Leadership;

1.3 This Anti-Fraud and Corruption Strategy is designed to encompass all of these areas as well as protect the Town Council against fraud and corruption both from within the Town Council and from outside. The Town Council is committed to an effective Anti-Fraud and Corruption Strategy designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

1.4 The Town Council expects Members and employees at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices

1.5 The Town Council also expects that individuals and organisations (e.g. suppliers, contractors and services providers) that it comes into contact with, will act with integrity and without thought or actions involving fraud and corruption.

1.6 This Anti-Fraud and Corruption Strategy is based upon a series of procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:

- Culture
- Prevention
- Detection and investigation
- Training

2.0 CULTURE

- 2.1 The Town Council has always had the view that the culture and tone of the organisation is one of honesty and integrity and opposition to fraud and corruption.
- 2.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Town Council will act with integrity, and that Town Council employees at all times will lead by example in these matters.
- 2.3 Town Council employees are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where associated with the Town Council's activity.
- 2.4 They can do this in the knowledge that such concerns will be treated in confidence and will be properly investigated. If necessary, a route other than their normal line manager maybe used to raise such issues. Examples of such routes are: -
- Town Clerk
 - Departmental Managers
 - Internal Auditor (An External Provider)
 - External Audit (Audit Commission
 - Elected Members
- 2.5 The Town Clerk/Departmental Managers will be responsible for following up any allegation of fraud or corruption received and will do so through clearly defined procedures. (See Detection and Investigation Section).
- 2.6 The Town Clerk/Departmental Managers are expected to deal swiftly and firmly with those who defraud or are corrupt. The Town Council, including Members, will be robust in dealing with financial malpractice.
- 2.7 There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as raising unfounded malicious allegations) may be dealt with as a disciplinary matter.

3.0 PREVENTION

- 3.1 Prevention will be achieved via: -
- Staffing policies

- Making Members aware of their responsibilities
- Internal control systems
- Working in partnership

Employees

- 3.2 As an employer, the Town Council is entitled to expect, and obliged to maintain, high standards of conduct among its employees to ensure that public confidence in their integrity 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 Town Council's objectives.
- 3.3 The Town 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 propriety and integrity of potential employees. In this regard temporary and contract employees are treated in the same manner as permanent employees.
- 3.4 Department Heads should ensure that recruitment procedures are followed and, in particular, written references should be obtained regarding the known honesty and integrity of potential employees before employment offers are made.
- 3.5 Employees of the Town Council are expected to follow the Town Council's Code of Official Conduct, which includes regulations regarding the registration of interests, gifts and hospitality. Employees are reminded that they must also operate within Section 117 of the Local Government Act 1972, regarding the disclosure of pecuniary interests in contracts relating to the Town Council, or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration.

Members

- 3.6 Members are expected to operate honestly and without bias. Their conduct is governed by:
- The Adopted Code of Conduct
 - Sections 94-96 of the Local Government Act, 1972
 - Local Authorities Members' Interest Regulations, 1992
 - The Localism Act 2011 Section 26-34
 - Maghull Town Council's Standing Orders relating to Business and Proceedings and Standing Orders for Contracts.
- 3.7 These matters and other guidance are specifically brought to the attention of Members. Members are specifically required under the Adopted Code of Conduct to be alert to and have regard for the need to register potential areas of conflict between Town Councillors duties

and responsibilities, and any other areas of their personal, or professional lives.

- 3.8 These codes and regulations are the subject of review. Members will be closely involved in the process, and will be fully advised as to their responsibilities.

Internal Control System

- 3.9 The internal control system comprises the whole network of financial, operation and managerial systems established within the Town Council to ensure that its objectives are achieved in the most economic and efficient manner. The Financial Regulations of the Town Council provide the framework for financial control. Under Financial Regulations, all staff are required to ensure that:

- Arrangements, guidelines and procedures for the proper administration of their Services' financial affairs are operated in accordance with Financial Regulations.
- The Town Clerk/Responsible Financial Officer, are informed where there has been a failure to comply with Financial Regulations, or where amendment or revision of a regulation is considered necessary.
- The Town Clerk/Responsible Financial Officer are informed as soon as possible of any matters involving, or suspected of involving, irregularity in the use of Town Council resources or assets.

- 3.10 The Town Council has developed, and is committed to continuing with, systems and procedures, which incorporate efficient and effective internal controls. The existence, appropriateness and effectiveness of these internal controls are independently monitored by the Town Council's External Provider of Internal Audit Services.

3.11 Working in Partnership

Arrangements are in place, which encourage the exchange of information between the Town Council and other agencies on national and local fraud corruption activity.

- 3.12 With the rapid increase in recent years of frauds perpetrated against a variety of local authorities and benefit agencies, usually involving fraudsters having multiple identities and addresses, the necessity to liaise between organisations has become paramount. The Town Council will liaise with all relevant Agencies, as deemed necessary.

4.0 DETECTION AND INVESTIGATION

- 4.1 When fraud and corruption occur, systems should assist in revealing the occurrences, and people should be encouraged to do likewise. They must then be investigated in a fair and impartial manner.

- 4.2 A Fraud and Corruption Response Plan has been developed and this gives detailed guidance on the process for employees who wish to notify suspicions and how the Council's officers should respond.

Detection

- 4.3 The array of preventative systems, particularly internal control systems and Audit, within the Town Council generally should be sufficient in themselves to deter fraud, but they have also been designed to provide indications of any fraudulent activity.
- 4.4 It is often the alertness of employees and the Members 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 process.
- 4.5 Despite the best efforts of managers and auditors, many frauds are discovered by chance or 'tip off', and the Town Council has in place such arrangements to enable such information to be properly dealt with.

Investigation

- 4.6 Depending on the nature and the anticipated extent of the allegations, the Town Clerk will normally work closely with management and other agencies, such as the Police, to ensure that all the allegations are properly investigated and reported upon and where appropriate, maximum recoveries are made for the Town Council. The follow up of any allegation of fraud and corruption received will be through agreed procedures, which ensure that:
- Matters are dealt with promptly;
 - All evidence is recorded;
 - Evidence is sound and adequately supported;
 - All evidence is securely held;
 - Where appropriate, the Police and the Town Council's Insurers are informed
 - The Town Council's Disciplinary Procedures are implemented;
 - The rules of natural justice are incorporated.
- 4.7 The procedures and reporting lines are an integral part of the Town Council's Anti-Fraud Strategy which ensures:
- Consistent treatment of information about fraud and corruption;
 - Proper investigation;
 - Restitution or compensation
 - The optimum protection of the Town Council's interests.

- 4.8 Where financial impropriety is discovered, referral to the Police is a matter for the Town Clerk. In deciding whether to recommend referral the following factors are taken into account:
- The amount of loss and duration of the offence;
 - The suspect's physical and mental condition;
 - Voluntary disclosure and arrangement for restitution;
 - How strong the evidence is.
- 4.9 The Town Council's Disciplinary Procedure will be used as appropriate irrespective of Police involvement or not.

TRAINING

- 5.0 The Town Council recognises that the continuing success of its anti-fraud and corruption strategy and its general credibility, will depend largely upon the effectiveness of its training programmes and the responsiveness of employees throughout the organisation.
- 5.1 To facilitate this, the Town Council supports the concept of induction training and continuous development appraisal, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties in respect are regularly highlighted and reinforced.
- 5.2 The Town Council has in place a Disciplinary Procedure for all categories of its employees who are fully aware of the consequences of disregarding it.

6.0 CONTINUOUS REVIEW OF STRATEGY

- 6.1 The Town 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 corporate activity that may affect its operation.
- 6.2 The Council will maintain a continuous review of such arrangements through the Town Clerk, Finance and Amenities and Audit and Governance Committees and Internal and External Auditors and will update the arrangements as required.

7.0 FRAUD AND CORRUPTION RESPONSE PLAN

Introduction

- 7.1 The Authority is committed to the values of probity and accountability, but the determined perpetrator will always find a way round systems and procedures. It is therefore necessary for all Managers to be aware of what is required in the event of being notified of a suspected fraud. This document sets out the process for persons who wish to notify any suspicions and also how the Authority's Officers should respond.

Notifying Suspected Fraud

- 7.2 Suspected fraud can be discovered in a number of ways but in all cases it is important that employees feel able to report their concerns and are also aware of the means by which they are able to do so.

The Authority has several means available to employees:

Departmental Manager

- 7.3 If an employee discovers a suspected fraud then it should be reported to the Departmental Manager as a matter of urgency. Whilst the Departmental Manager should establish as many details as possible (by discussion with the notifying employee only) he/she should formally report the incident to the Town Clerk.

Town Clerk

- 7.4 The Town Clerk is ultimately responsible for all operations and as such, should be able to be contacted by an employee regarding suspicions they may have.

Responsible Financial Officer

- 7.5 The Town Clerk is the Responsible Financial Officer and as the Authority's Section 151 Officer, with overall responsibility for the proper financial administration of the Council, can be contacted if employees have concerns.

Internal Auditor (External Provider)

- 7.6 The primary role of the Internal Auditor is to report on the adequacy of systems and procedures (the 'internal control' environment). However, they are also charged with the responsibility for being the usual means of investigating suspected fraud. The Internal Auditor provider has many years experience in fraud investigations.

External Audit

- 7.7 The Council's external auditors have responsibilities to review, in accordance with the Code of Audit Practice for Local Authorities, the arrangements made by management to prevent and detect fraud.

External Audit also reviews the adequacy of measures taken by the Authority to limit the possibility of corrupt practices. As such External Audit will investigate any concerns that are brought to their attention.

Initial Steps

- 7.8 Once fraud is suspected it is crucial that any investigation is conducted in a professional manner aimed at ensuring that the current and future interests of both the Authority and the suspected individual(s) are protected. The latter is equally important as a suspicion should not be seen as guilt, which has to be proved. To this end the Authority's disciplinary procedure will be invoked where necessary.
- 7.9 It is also crucial that the notifying employee does not feel threatened. As far as possible the Authority undertakes to protect the identity of such employees and not to release the source of notification at any time during the investigation.
- 7.10 For each notified suspicion the Town Clerk will appoint 'Investigating Officers' to be in charge of the investigation on a day-to-day basis.

Subsequent Steps

The Investigating Officers and Town Clerk must:

- Initially assess whether there is a need for any employee to be suspended. The decision should be kept under review at all stages of the investigation.
- Identify an action plan. (what, who, when, how, where).
- Identify the reporting process (who by, to whom, when and how) and ensure that strict confidentiality is continuously maintained.

7.11 The Investigating Officer will:

- Open a file to record chronologically:
 - Telephone conversations
 - Face to face discussions
 - Record/documents reviewed
 - Tests undertaken and results

The file should be indexed and all details recorded no matter how insignificant they initially appear.

- Ensure the correct form of evidence is obtained and appropriately retained, witnessed and corroborated:

- prime documents
 - certified copies
 - physical items
 - secondary evidence
 - circumstantial
 - hearsay
- Ensure interviews are conducted in the right manner. In particular, that the requirements of the Police and Criminal Evidence Act are complied with when interviewing suspects.

Liaison with External Audit and the Police

External Audit

- 7.12 Each Local Authority has a duty to report all suspected frauds to its external auditors. This will be done by the Town Clerk or Responsible Financial Officer at the earliest opportunity.

Police

- 7.13 The experts at investigating fraud are the Police, they will also advise on the likely outcome of any intended prosecution. Initial contact with the Police should only be undertaken following discussion between the Town Clerk and the relevant Departmental Manager and the relevant Chairmen of Committees. It is the policy of the Police to welcome early notification of suspected fraud.
- 7.14 If the Police decide a formal investigation is necessary, all employees should co-operate fully with any subsequent requests or recommendations.
- 7.15 Where the Police decide to formally investigate this will not prejudice any internal disciplinary procedures; these should continue as normal, but may be suspended until the formal external investigation is complete. However, the internal investigation and the Police's should be co-ordinated to make maximum use of resources and information.

Interim Report

- 7.16 As soon as the initial 'detection' stage of investigation has been completed an interim confidential report, which may be verbal, but is more likely to be written, should be made by the Investigating Officer to the Town Clerk/Responsible Financial Officer and any other Officer decided upon at the preliminary stage.

The interim report should set out:

- the findings to date
- the interim conclusions drawn from those findings; and
- should seek approval to continue the investigation if this is appropriate.

If it is decided to continue the investigation then future reporting Arrangements and any changes to the planned action should be confirmed.

Final Report

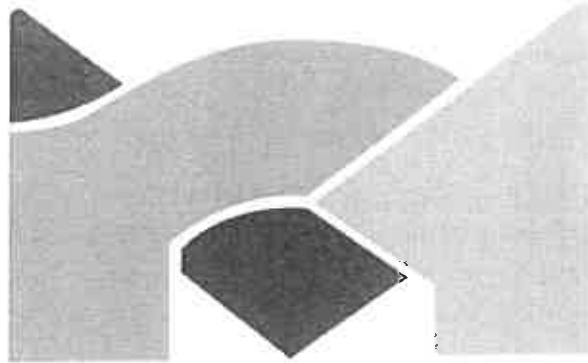
- 7.17 This report will supercede all other reports and be the definitive document on which management (in a disciplinary situation) and possible the Police (in a criminal situation) will base their initial decisions.
- 7.18 The format of the final report will not always be the same as each case in unique, but will frequently set out:
- how the investigation arose
 - who the suspects are
 - their position in the Authority
 - how the investigation was undertaken
 - the facts and evidence that were identified
 - summary of findings and recommendations, both regarding the fraud itself and any additional work required on the system weaknesses identified during the investigation.

7.19 Defamation

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.

Defamation in law is defined as:

'The publication (i.e. communication) of a statement which tends to lower a person in the estimation of right-thinking members of society in general or which tends to make them shun or avoid that person'.



Maghull Town Council Whistle Blowing Policy and Procedure

March 2017

Whistle-Blowing Policy for Maghull Town Council

1. INTRODUCTION

- 1.1 People/Members of the Public and contractors etc. 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 it is easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council prides itself on having an open and open and honest culture and is committed to the highest possible standards of probity and accountability. In line with that commitment we encourage people and members with serious concerns about any aspects of the Council's work to come forward and voice those concerns. Confidentiality will be maintained as far as is possible and within any requirements of the law.
- 1.3 This policy supports the Council's Anti-Fraud and Corruption Policy and makes it clear that concerns can be raised without fear of reprisals. It is intended to encourage and enable people to raise serious concerns within the Council, irrespective of seniority, rank or status, rather than overlooking a problem or reporting the matter externally.
- 1.4 This Policy operates alongside other specific whistle-blowing investigation procedures developed, for example Benefits.

2. AIMS AND SCOPE OF THIS POLICY

- 2.1 This Policy aims to:
 - Provide avenues for you to raise concerns and receive feedback on any action taken
 - Allow you to take the matter further if you are dissatisfied with the Council's response
 - Reassure you that you will be protected from reprisals or victimisation for confidential reporting in good faith.
- 2.2 There are procedures in place to enable people to lodge any grievance relating to their employment. This Policy is intended to cover concerns that fall outside the scope of other procedures
- 2.3 Concerns must be raised when people reasonably believe that one or more of the following has occurred is in the process of occurring or is likely to occur:
 - A criminal offence
 - A failure to comply with a statutory or legal obligation
 - Improper or unauthorised use of public funds or other funds
 - A miscarriage of justice
 - Maladministration, misconduct or malpractice
 - Endangering of an individual's health and safety
 - Damage to environment

- Deliberate concealment of any of the above.

2.4 The overriding concern should be that it would be in the public interest for malpractice to be corrected and, if appropriate, sanctions applied.

3. HOW TO RAISE A CONCERN

3.1 Concerns should be raised within the Council with either:-

- a) A Manager
- b) The Leader of the Council
- c) The Audit Chairperson
- d) The Town Clerk
- e) The Internal Auditor (Sefton CVS)

For concerns in respect of professional conduct, then the above still apply. If the concern is connected with your direct line manager/supervisor, Sefton MBC Personnel Department can provide confidential advice as to whom the concern should be directed to.

3.2 Concerns should be raised in writing if at all possible. You will need to set out the background and history of the concern giving names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing, you can telephone or meet the appropriate officer. The appropriate officer will make notes of any conversations with you so that, if required, a proper investigation can be undertaken.

3.3 The earlier you express the concern, and the more details you have, the easier it will be to take action.

3.4 At this stage, you are not expected to prove the allegation, but you will need to demonstrate to the person contacted that there are sufficient grounds for your concern.

3.5 When raising any concerns, your right under the Human Rights Act 1998, Article 8 (right to private family life) will be maintained.

3.6 Advice and guidance on how matters of concern may be pursued can be obtained from:-

- A Manager
- The Town Clerk
- Internal audit

3.7 You may prefer, in order to protect yourself or to maintain your anonymity, to invite your trade union or other representative to raise the matter on your behalf. Your representative may be required to obtain additional information from you so that a proper investigation can be undertaken.

4. HOW THE COUNCIL WILL RESPOND

- 4.1 The action taken by the Council will depend on the nature of the concern. The matters raised might:-
- Be investigated internally by an appropriately skilled and experienced officer, knowledgeable in the area concerned e.g. a Manager, Internal Audit, Human Resources, Town Clerk
 - Be referred to the Police
 - Be referred to the External Auditor or Ombudsman
 - Form the subject of an independent enquiry
- 4.2 In order to protect individuals and the Council, initial enquires will be made to decide whether an investigation is appropriate and, if so, what form it will take. Concerns or allegations that fall within the scope of other specific procedures (for example, bullying or harassment issues) will normally be referred for consideration under those procedures.
- 4.3 Any initial investigations will follow the course of natural justice. The initial Investigation will adhere to Articles 6 and 8 of the Human Rights Act 1998 (right to a fair hearing and right to private family life). Some concerns may be resolved by agreed action without the need for further investigation.
- 4.4 Within 10 working days of a concern being received (excluding anonymous concerns), the individual with whom you raised the matter will write to you:
- Acknowledging that the concern has been received
 - Indicating how it is proposed 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
 - Telling you whether further investigations will take place and if not, the reason why
- 4.5 The amount of contact between you and an Officer(s)/Councillor(s) considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you in a discreet manner.
- 4.6 When any meeting with you is arranged, you have the right, if you wish, to be accompanied by a trade union representative or work colleague. The meeting can be off site, if requested.
- 4.7 The Council will take steps to minimise any difficulties you may experience as a result of raising a concern and provide any appropriate support. For instance, if you advise about the procedure. Within internal proceedings you will have the option of asking someone else to accompany you.
- 4.8 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcomes of investigation. In addition, you will be informed as to what action has been taken to correct working practices where they have been found to be at fault by the investigation.

- 4.9 You can withdraw from the process at any stage. If you do, you or your representative must inform the person with whom you raised the initial concern and investigating officer. You will be requested to provide a reason for your withdrawal.
- 4.10 Any full investigation will follow the course of natural justice and the requirements of the Human Rights Act 1998 and the Regulation of Investigatory Powers Act 2000
- 4.11 The person(s) against whom the concern has been raised will be informed following the initial investigations if it is considered that there is an issue to be investigated further, subject to current Human Resources policies. They will be supported in an appropriate manner and will be informed of the progress of the investigation.

5. SAFEGUARDING

Harassment or Victimisation

- 5.1 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate harassment or victimisation and will take action to protect you when you raise a concern in good faith.
- 5.2 This does not mean if you are the subject of disciplinary or redundancy procedures, that those procedures will be halted as a result of confidential reporting.

Confidentiality

- 5.3 The Council will respect confidentiality and all steps will be taken to ensure that confidentiality is maintained throughout the process. However it must be appreciated that the investigation process may reveal the source of the information. Any statement made by you may be required as part of the evidence but could be submitted anonymously, if requested.

Anonymous Allegations

- 5.4 This policy encourages you to put your name to your concerns. Concerns expressed anonymously are more difficult, but they will all be considered.
- 5.5 In such circumstances, the Council will take the following factors into account when establishing the scope and depth of the investigation.
- The seriousness of the issues raised
 - The credibility of the concern
 - The likelihood of confirming the allegation from attribute sources and information supplied.

Untrue Allegations

- 5.6 If you make an allegation in good faith, but it is not confirmed by the investigation no action will be taken against you.

5.7 If, however, you make malicious or vexatious allegations, disciplinary action may be taken against you.

6. HOW THE MATTER CAN BE TAKEN FURTHER

6.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with the response to your concern. If you are not you must indicate this to the person who has been dealing with your concern. If you feel it is right to take the matter outside the Council, the following are possible contact points:-

- The External Auditor / Internal Auditor
- Relevant professional bodies or regulatory organisations
- The Ombudsman
- Your solicitor
- The Police
- Public Concern at Work * (0207 404 6609)
- Your trade union/professional association

* Public Concern at Work is an independent charity that provides free advice for persons who wish to express concern about fraud and other serious malpractice.

7. THE RESPONSIBLE OFFICER

7.1 The Town Clerk/Chair of Audit & Governance/Council Leader has overall responsibility for the maintenance and operation of this policy. The above persons will maintain a record of concerns raised and outcomes (but in a form which does not endanger your confidentiality) and will report details, if necessary, to the Scrutiny or Standards Committees of the Council.

7.2 Other useful contacts with respect to this policy are the Internal Auditor and your trade union representative

WHISTLE-BLOWING PROCEDURE

What should you do if you suspect misconduct at work?

HOW should you react if you suspect fraud or other improper activity in the workplace?

WHAT action should you take?

WHO should you inform?

SHOULD you inform anyone at all?

WHAT should you do with the evidence?

Fraud within the public sector costs the taxpayer hundreds of millions of pounds each year. Like all public sector organisations, Maghull Town Council may be affected in some way by fraudulent or corrupt activity

Maghull Town Council is committed to combating fraud and corruption by employees or Members of the Council who abuse their position of trust. To this end the Council has adopted an anti-fraud and Corruption Policy which includes a Whistleblowing procedure to enable employees to raise, in good faith, any concerns they may have without fear of victimisation.

Your concerns may not relate to fraudulent activity, but for example

- Health and safety risks
- Damage to the environment
- Abuse of Members of the Public and other Employees.
- Any conduct which is illegal

The procedure recognises that the employees need to be assured that their concerns have been properly addressed. Therefore, subject to legal constraints, you will be informed of the outcome of the case.

The leaflet gives guidance on what you should and should not do if you suspect a fraud or other improper activity in Maghull Town Council.

Acting upon your Suspicions-

The Do's and Don'ts

If you have concerns within the workplace, there are a few simple guidelines that should be followed:

DO

Make an immediate note of your concerns:

Note all relevant details, such as what was said in telephone or other conversations, the date, time, and the names of any parties involved.

Convey your suspicions to the appropriate person

Report your concerns to your line manager. If you prefer to speak to someone else you can contact the Leader of the Council, the Town Clerk or the Chair of Audit & Governance Committee.

Deal with the matter promptly, if you feel your concerns are warranted.

Any delay will result in the problem continuing and perhaps worsening.

DON'T

Do nothing.

Be afraid of raising your concerns

You will not suffer any recrimination as a result of voicing a reasonably held suspicion. The Council's procedures require that firm and appropriate action is taken whenever fraud/corruption/Health & Safety issues are suspected or discovered. Any matter you raise will be dealt with sensitively and confidentially

DON'T

Approach or accuse any individuals directly

Try to investigate the matter yourself

There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may spoil the chance of a satisfactory outcome to the case. The Council has specialist auditors who are trained in handling investigations in the proper manner

Convey your suspicions to anyone other than the appropriate officers

DON'T

Use this procedure to pursue a personal grievance

SUMMARY

- Note all relevant details but do not attempt to investigate the matter further yourself
- Report all suspicions promptly :
 - To your line manager, or any other senior manager who you believe will help you raise your concerns, or to
 - ☐ The Town Clerk or the Leader of the Council
 - ☐ The Chairperson of Audit and Governance Committee
- If in doubt, report your suspicions anyway to any Councillor who will take appropriate action in all cases.

