

Open Report on behalf of Executive Director Resources and Community Safety

Report to:	Audit Committee
Date:	26 September 2011
Subject:	Whistleblowing Annual Report 2010/11

Summary:

This report provides an overview on the effectiveness of the Council's whistleblowing arrangements throughout the year 2010/11.

Recommendation(s):

To note the whistleblowing activity for 2010/11 and the plans to increase the level of awareness and understanding throughout the Council, including key partners and Lincolnshire residents.

Background

- 1 This report provides a summary of:
 - analysis of contacts (disclosures) April 2010 to March 2011
 - comparison of whistleblowing activity / emerging trends
 - planned work to improve the arrangements
- 2 The Council's whistleblowing arrangements have been running since 2001. Corporate Audit and Risk Management have managed this facility throughout this ten year period and the number and type of disclosures received each year indicates that it continues to be a safe and effective way of reporting concerns.
- 3 We significantly overhauled the whistleblowing policy last year although the process, reporting arrangements and content remained fundamentally the same. We re-issued the policy but did not, due to resourcing and conflicting service demands, have a high profile re-launch. We therefore recognise there is scope to improve the policy awareness and understanding of managers, staff, schools and our key partners.
- 4 It is within our work plan for this year to produce an updated whistleblowing leaflet and to improve awareness by running workshops, issuing guidance to managers and staff and producing articles for the Council's key publications.

- 5 Lincolnshire schools, when updating their own governance arrangements, are adopting the Council's model policy and utilising the confidential reporting facilities we operate within the Counter Fraud and Investigation team. We are to attend the next round of Lincolnshire headteacher and governor forums to talk about good governance, whistleblowing processes and key fraud risks facing schools.
- 6 We are also working with the Council's contract and procurement teams to ensure that there is reference to our updated policy in all Council contracts, Service Level Agreements, partnership agreements and tender documentation.

Whistleblowing disclosures 2010/11

- 7 We received 19 whistleblowing disclosures during 2010/11 and the majority of those came in via the Council's dedicated whistleblowing hotline.
- 8 The analysis below shows the type of disclosures received this year compared with last year:

Type of concern	Number of concerns raised 09/10	Number of concerns raised 10/11
Dignity at Work – bullying & harassment	10	4
Grievance	2	0
Financial (including fraud)	4	8
Alleged breach of policy/procedure and/or poor practice	9	5
Alleged misconduct	3	1
Safeguarding	1	1
TOTAL	29	19

- 9 The table shows an increase in the number of financial concerns, including suspected fraud, which is consistent with the increase in fraud investigations and Police referrals handled by the Council's Investigation team. It is also in line with the national fraud picture within the public sector.
- 10 3 of the 19 disclosures have resulted in independent investigation by the Council's Investigation Team – 2 suspected fraud cases (still ongoing) and 1 referral involving dignity at work issues (now complete).

- 11 We have also experienced a drop in the number of dignity at work disclosures over the year – this is consistent with a fall in the number of complex employment investigations we have dealt with under the Council's disciplinary and dignity at work policies. We believe one reason for the decline in this type of disclosure may be the Council's workforce change process – we will need to re-examine this next year for more certainty.
- 12 Analysis of complaints by directorate:

Directorate	Number of concerns raised
Children's Services (mostly schools)	10
Adult Social Care	3
Development	1
Resources	3
External	2
TOTAL	19

- 13 Children's Services continue to receive the highest number of whistleblowing disclosures and schools are the overall largest users (42%). This trend is consistent with previous years and it is encouraging that schools have adopted the Council's model policy and are publicising the arrangements.
- 14 Just under 16% of the disclosures resulted in a formal independent investigation – below is a table which shows how we dealt with all the concerns raised throughout 2010/11:

Action taken	Concerns dealt with
Counter Fraud & Investigations Team – Advice	5
Counter Fraud & Investigations Team – Independent investigation	3
Preliminary enquiries and resolution by directorate management	7
No further action (unable to pursue due to lack of detail and anonymity of whistleblower)	2
Investigation by external body	2
TOTAL	19

Note: we monitor cases referred to directorate management and review the steps taken to resolve the issue. We do not officially close the case until we receive satisfactory feedback.

Organisational Learning

- 15 The key organisational learning from the 2010/11 disclosures will fall out of the two ongoing fraud cases. We have already updated our continuous proactive fraud testing programme and will be issuing fraud bulletins following the conclusion of our enquiries. This action should help to prevent and detect similar frauds in the future.

Planned work to improve our arrangements

- 16 We aim to increase awareness of the Council's whistleblowing policy by:

- developing and distributing new leaflets
- training sessions for managers and staff
- articles in the Council's publications
- using the new "Audit Lincolnshire" website

We intend to combine this with our planned counter fraud awareness programme.

Conclusion

- 17 We have seen a 35% drop in the number of whistleblowing contacts during 2010/11. The drop, however, is no more significant than that experienced in other years and analysis shows that the number of contacts can rise or fall by as much as one third from one year to the next.
- 18 The whistleblowing mechanism continues to be used to report suspected fraud and this has, during 2010/11, led to one serious and complex investigation.
- 19 The Council's whistleblowing policy is clear and accessible but we believe there is scope to improve the effectiveness through increased awareness and understanding. The planned developments over the next 6 months will provide more assurance around the existing arrangements.

Consultation

a) Policy Proofing Actions Required

n/a

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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