

**WAKEFIELD COUNCIL CONSTITUTION –
SUPPORTING DOCUMENTS**

**CODES OF PRACTICE, PROTOCOLS AND
PROCEDURES**

CONTENTS

Code Of Corporate Governance	4
Monitoring Officer Code Of Practice	15
Whistleblowing Policy	23
Anti-Fraud And Bribery Policy	45
Anti-Money Laundering and Anti-Terrorist Financing Policy	71
Risk Management Policy & Statement And Strategic Framework	85
Internal Audit Protocol/Terms Of Reference	100
Protocol For External Audit And Inspection Reports	108
Asset Management – Procedures Manual	113

Wakefield Council: Code of Corporate Governance

What we mean by Governance

Good corporate governance will demonstrate to the public and other stakeholders that the Council has its own house in order and is approaching the challenges it faces in a corporate and strategic way.

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner

It comprises the systems and processes and cultures and values, by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads its communities.

The Local Code of Governance

A joint Chartered Institute of Public Finance and Accountancy (CIPFA) /Society of Local Authority Chief Executives (SOLACE) guidance note “Delivering Good Governance in Local Government“ provides a framework, intended to be used as best practice for developing and maintaining a code of corporate governance. Whilst corporate governance is a holistic concept it has been mapped out in the guidance note using the recommended six core principles shown below.

The Wakefield MDC local Code of Governance has been developed in accordance with, and is consistent with, the Delivering Good Governance in Local Government Framework.

Core Principles of Good Governance

The six core governance principles of the Council are: -

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;

2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective; and
6. Engaging with local people and other stakeholders to ensure robust public accountability.

Applying the Core Principles of Good Governance

The six core principles each have a number of supporting principles, which in turn have a range of specific requirements that apply across the Council's business:

Appendix A lists the core principles, supporting principles and headline actions (What WMDC commits itself to).

Appendix B shows the full action plan.

Annual Review and Reporting

Each year the Council will carry out a review of its Governance arrangements to ensure compliance with this Code, the delivery of Good Governance within the Local Government Framework and current good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action, which is planned to ensure effective governance in the future.

The outcome of the review will take the form of a Governance Statement prepared on behalf of the Leader of the Council and Chief Executive. It will be submitted to the Audit Committee for consideration and review.

The preparation and publication of the Governance Statement will meet the statutory requirement of the Accounts and Audit Regulations that requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”. As such the Governance Statement will be prepared in accordance with the timetable in preparation of financial statements in accordance with the Accounts and Audit Regulations.

Appendix A Core principles of good governance and headline actions

Core Principle 1

Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area

Supporting Principles	WMDC commits itself to:
1.1 Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users.	(a) Develop and promote the Council's purpose and vision.
	(b) Review on a regular basis the Council's vision for the local area and its implications for the Council's governance arrangements.
	(c) Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.
	(d) Publish an annual report (or similar documents) on a timely basis to communicate the Council's activities and achievements, its financial position and performance.
1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.	(a) Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.

Supporting Principles	WMDC commits itself to:
	(b) Put in place effective arrangements to identify and deal with failure in service delivery.
1.3 Ensuring that the Council makes best use of resources and that taxpayers and service users receive excellent value for money.	(a) Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.
	(b) Measure the environmental impact of policies, plans and decisions.

Core Principle 2

Members and officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principles	WMDC commits itself to:
2.1 Ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	(a) Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Council's approach towards putting this into practice.
	(b) Set out a clear statement of the respective roles and responsibilities of other Council Members, Members generally and of Senior Officers.
2.2 Ensuring that a constructive working relationship exists between Council Members and Officers and that the responsibilities of Members and Officers are carried out to a high standard.	(a) Determine a scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation, and ensure that it is monitored and updated when required.
	(b) Make a Chief Executive or equivalent responsible and accountable to the Council for all aspects of operational management.
	(c) Develop protocols to ensure that the Leader and Chief Executive (or equivalent)

Supporting Principles	WMDC commits itself to:
	negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
	(d) Make a Senior Officer (the S151 Officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
	(e) Make a Senior Officer (usually the Monitoring Officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable Statutes and Regulations are complied with.
	(f) Make a Senior Officer (not the Head of Paid Service, S151 Officer or the Monitoring Officer) responsible to the Council for ensuring the Council complies with Section 31 of the Local Democracy, Economic Development and Construction Act 2009 (Scrutiny Officer).
2.3 Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other.	(a) Develop protocols to ensure effective communication between Members and Officers in their respective roles.
	(b) Set out the terms and conditions for remuneration of Members and Officers and an effective structure for managing the process, including an effective Remuneration Panel (if applicable).
	(c) Ensure that effective mechanisms exist to monitor service delivery.

Core Principle 3

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principles	WMDC commits itself to:
3.1 Ensuring Council Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	(a) Ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect.
	(b) Ensure that standards of conduct and personal behaviour expected of Members and officers, of work between Members and officers and between the Council, its partners and the community are defined and communicated through Codes of Conduct and Protocols.
	(c) Put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.
3.2 Ensuring that organisational values are put into practice and are effective.	(a) Develop and maintain shared values including leadership values for both the Councillors and Officers reflecting public expectations, and communicate these with Members, Officers, the community and Partners.
	(b) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice
	(c) Develop and maintain an effective Standards Committee.
	(d) Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council.
	(e) In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behavior both individually and collectively.

Core Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principles	WMDC commits itself to:
<p>4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p>	<p>(a) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council’s performance overall and that of any organisation for which it is responsible.</p>
	<p>(b) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p>
	<p>(c) Put in place arrangements to safeguard Members and Officers against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.</p>
	<p>(d) Develop and maintain an effective Audit Committee (or equivalent), which is independent of the executive and scrutiny functions, or make other appropriate arrangements for the discharge of the functions of such a Committee.</p>
	<p>(e) Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</p>
<p>4.2 Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</p>	<p>(a) Ensure that those making decisions whether for the Council or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.</p>

Supporting Principles	WMDC commits itself to:
	(b) Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.
4.3 Ensuring that an effective risk management system is in place.	<p>(a) Ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their jobs.</p> <p>(b) Ensure that effective arrangements for whistle blowing are in place to which Officers, staff and all those contracting with or appointed by the Council have access.</p>
4.4 Using their legal powers to the full benefit of the citizens and communities in their area.	<p>(a) Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine, but also strive to utilise their powers to the full benefit of their communities.</p> <p>(b) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law.</p> <p>(c) Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes.</p>

Core Principle 5

Developing the capacity and capability of Members and Officers to be effective

Supporting Principles	WMDC commits itself to:
5.1 Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles.	(a) Provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis.
	(b) Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council.
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	(a) Assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively.
	(b) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
	(c) Ensure that effective arrangements are in place for reviewing the performance of the Executive as a whole and of individual Members and agreeing an action plan, which might, for example, aim to address any training or development needs.
5.3 Encouraging new talent for membership of the Council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	(a) Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council.
	(b) Ensure that career structures are in place for Members and Officers to encourage participation and development.

Core Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principles	WMDC commits itself to:
<p>6.1 Exercising leadership through a robust scrutiny function, which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	(a) Make clear to themselves, all staff and the community to whom they are accountable and for what.
	(b) Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required.
	(c) Produce an annual report on the activity of the scrutiny function.
<p>6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning.</p>	(a) Ensure clear channels of communication are in place with all sections of the community and other stakeholders.
	(b) Hold meetings in public unless there are good reasons for confidentiality.
	(c) Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.

Supporting Principles	WMDC commits itself to:
	<p>(d) Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.</p> <p>(e) On an annual basis, publish a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.</p> <p>(f) Ensure that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.</p>
6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.	(a) Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.

Annual Review and Reporting

Each year the Council will carry out a review of its Governance arrangements to ensure compliance with this Code, the delivery of Good Governance within the Local Government Framework and current good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action, which is planned to ensure effective governance in the future.

The outcome of the review will take the form of a Governance Statement prepared on behalf of the Leader of the Council and Chief Executive. It will be submitted to the Audit Committee for consideration and review.

The preparation and publication of the Governance Statement will meet the statutory requirement of the Accounts and Audit Regulations that requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”. As such the Governance Statement will be prepared in accordance with the timetable in preparation of financial statements in accordance with the Accounts and Audit Regulations.

Monitoring Officer Code of Practice

1. Introduction to Statutory Responsibilities

- 1.1 The Monitoring Officer is a statutory appointment under Section 5 of the Local Government and Housing Act 1989. This code of Practice set out the functions and provides some general information on how those statutory functions will be discharged.
- 1.2 The Monitoring Officer is a “non-statutory Corporate Director” within the meaning of the Local Government and Housing Act 1989 and reports direct to the Chief Executive.
- 1.3 The Service Director Legal and Governance is the Council’s Monitoring Officer.
- 1.4 A summary list of the Monitoring Officer’s responsibilities is given below. The Monitoring Officer’s ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers: -
- complying with the law (including any relevant Codes of Conduct);
 - Complying with any general guidance, codes, procedures or protocols issued from time to time, by the Standards Committee and the Monitoring Officer;
 - making lawful and proportionate decisions: and
 - generally, not taking action that would bring the Council, their offices or professionals into disrepute.

2. Functions of the Monitoring Officer

- 2.1 The functions of the Monitoring Officer include the following:

- “(a) **Maintaining the Constitution.** The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by Members, staff and the public.
- (b) **Ensuring lawfulness and fairness of decision-making.** After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to the full Council or to the Cabinet in relation to an executive function if he/she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- (c) **Supporting the Standards Committee.** The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee.
- (d) **Receiving Reports.** The Monitoring Officer will receive and act on reports made by Ethical Standards Officers from Standards for England and decisions of the Case Tribunals.
- (e) **Conducting Investigations and Taking any Other Steps.**

- (a) The Monitoring Officer will arrange for the consideration, investigation and hearing/determination of allegations of breaches of the members code of conduct.
- (b) The Monitoring Officer will take any steps he/she may be 'directed' to take by an Ethical Standards Officer in connection with an allegation of a breach of the Authority's Code of Conduct.
- (f) Proper Officer for Access to Information.** The Monitoring Officer will assist the Service Director Legal and Governance to ensure that executive decisions, together with the reasons for those decision and relevant officer reports and background papers are made publicly available as soon as possible.
- (g) Advising whether executive decisions are within the budget and policy framework.** The Monitoring Officer will advise whether decisions of the executive are in accordance with the budget and policy framework.
- (h) Providing advice.** The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors.
- (i) Deputy Monitoring Officer.** The Monitoring Officer will appoint a Deputy and keep him/her briefed on any relevant issues that he/she may be required to deal with in the absence of the Monitoring Officer.
- (j) Interpreting the Constitution.** The Monitoring Officer or Deputy Monitoring Officer will interpret the Council's Constitution when asked to do so and when he/she considers it necessary to do so.
- (k) Register of Members Interests.** The Monitoring Officer will establish and maintain a Register of Interest of Members and co-opted Members of the Authority and members and co-opted members of Parish and Town Councils within the District."

2.2 A summary list of the Monitoring Officer's main responsibilities and the corresponding legislation/authority is shown in **Appendix 'A'**.

3. Procedures Designed to Avoid the Needs to Issue a Statutory Report

3.1 Under Section 5 of the Local Government and Housing Act 1989, the Monitoring Officer has to prepare a report where it appears to him/her that any proposal, decision or omission by the Council, by any Committee or Sub-Committee of the Council, or any officer holder or employee or any Joint Committee has or is likely to contravene the law, or where there has been a finding of maladministration by the Local Commissioner.

3.2 The Council therefore has procedures in place, which are designed to avoid the need to issue a statutory report.

(a) Systems to Reduce Risk of Illegality/maladministration

The risk of illegally or maladministration is reduced by having effective systems which are regularly reviewed and updated. These include: -

- Council Procedure Rules (Standing Orders)
- Codes of Conduct for Officers and Members
- List of delegated powers and procedures for recording decision taken under those powers
- Complaints procedures
- Guidance on access to information
- Registers, for example, in relation to Declarations of Interest or receipt of gifts and hospitality
- Property Protocols

(b) Ombudsman Reports

- (i) In accordance with the Council's Constitution the Standards Committee is responsible for reviewing and monitoring the Council's response to Local Ombudsman investigations.

(c) Audit Commission

The Monitoring Officer should be involved in any ethical standards issue raised by the Audit Commission concerning the legality of the Council's actions.

(d) Access

The following access granted to the Monitoring Officer will help to ensure that issues which should be brought to Monitoring Officer's attention are:

(i) Access to Corporate Management Team papers.

The Monitoring Officer is a member of the Corporate Management Team and will have advance notice of these meetings, agendas and reports and the right to attend and speak.

(ii) Access to Meetings

The Monitoring Officer has a right to attend (including the right to be heard) any meetings of the Authority (including meetings at which officer delegated decisions are taken) before any binding decision is taken (including failure to take a decision where it should have been taken).

(e) Standards for England

The Monitoring Officer is the principal point of contact between the Council and Standards for England.

(f) Investigating - Access for Information

The Monitoring Officer in carrying out any investigation(s) has unqualified access any information held by the Council and to any Officer who can assist in the discharge of his/her functions.

4. What the Monitoring Officer will not report on

It is intended to limit the need for formal reports to be produced by the Monitoring Officer so far as is possible. Reports will therefore not be issued as a matter of routine or in relation to trivial issues. The Monitoring Officer will concentrate on major matters, in accordance with Parliament's intention, and the emphasis will be on the preventative aspect of the role. Generally, therefore, the Monitoring Officer will not report on the following matters:

- Minor procedural irregularities.
- Matters, which have already, report to the Council or Committee by another officer where Members are aware of the illegality or maladministration involved.
- Matters, which are being resolved by other means, for example, matter being dealt with through the Council's insurers.
- Cases where the Council has been convicted of an offence (for example under health and safety legislation) or had a statutory order made against it and a report has already been made to the Council or Cabinet or Committee.
- Matters dealt with through the Council's internal complaints procedures unless those matters raise issues of illegality or maladministration in the Council's systems and which will recur unless corrected.
- Cases in which the Ombudsman has made a finding of maladministration against the Council.
- Litigation involving the Council provided that the Council has an arguable case.
- A preliminary enquiry or request, which, if it becomes a formal proposal, would create the need for a report.
- Matters where no further action is required to remedy the breach, for example, where there is a historic illegality and no continuing injustice, but there is no active complaint in respect of it.
- Matters that can be resolved promptly by a report to a Committee or Sub-Committee or Delegated Officer.

5. Working Arrangements

- 5.1 Having excellent working relations with Members and Officer will assist in the discharge of the statutory responsibilities by the Monitoring Officer. Equally, a speedy flow of relevant information and access to debate (particularly at the **early stages** of any decision-making by the Council) will assist in fulfilling those responsibilities. Members and Officers must, therefore, work with the Monitoring Officer (and his/her staff) to discharge the Council's statutory and discretionary responsibilities.

The following arrangements and understandings between the Monitoring Officer, Members and Directors are designed to ensure the effective discharge of the Council's business and functions

(a) Resources

- (i) The Monitoring Officer will report to the Council, as necessary on the staff, accommodation and resources she/he requires to discharge his/her statutory functions,
- (ii) The Monitoring Officer will have sufficient resources to enable him/her to address any matters concerning his/her Monitoring Officer functions;
- (iii) The Monitoring Officer will have control of a budget sufficient to enable him/her to seek Counsel's opinion on any matter concerning his/her functions.

(b) Deputy Monitoring Officer

The Council must appoint a Deputy Monitoring Officer. However, certain duties of the Monitoring Officer remain personal to him/her, as follows:

“(i) The duties in respect of the statutory reports by the Monitoring Officer.... (under Sections 5 and 5A of the Local Government and Housing Act 1989....) are personal to them, unless they are unable to act owing to absence or illness, in which case the duties are personal to their deputy.”

Except in respect of the statutory duties referred to above all references to the Monitoring Officer under the Council's Constitution shall include reference to the Deputy Monitoring Officer and any other officer that he/she may nominate.

NB. Section 82A of the Local Government Act 2000 (inserted by Section 113(2) of the Local Government Act 2003) allows the Monitoring Officer or Deputy Monitoring Officer to delegate certain functions in relation to complaints against Councillors.

(c) Maintaining and Monitoring the Registers of Members' Interests, Gifts and Hospitality

The Service Director Legal and Governance maintains the registers of Members' interests and of gifts and hospitality on behalf of the Monitoring Officer.

6. Responsibilities of Members and Officers

- 6.1 To ensure the effective and efficient discharge of the arrangements set out above, Members and Officers will report any breaches of statutory duty or Council policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.
- 6.2 The Monitoring Officer will ensure the other statutory officers (Head of Paid Service and the Section 151 Officer) are kept up to date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;

- 6.3 The Monitoring Officer will meet regularly with the Head of Paid Service and the Section 151 Officer to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise:
- 6.4 The Monitoring Officer will have a close working relationship of respect and trust with the Mayor, Deputy Mayor and the chairs of the Cabinet, Standards and Regulatory Committees, Overview and Scrutiny Committees with a view to ensuring the effective and efficient discharge of Council business.
- 6.5 The Monitoring Officer will develop effective working liaison and relationship with Standards for England, the Audit Commission and the Local Government Ombudsman (including having the authority, on behalf of the Council, to complain to the same, refer any breaches or give and receive any relevant information whether confidential or otherwise, through appropriate protocols, if necessary);

7. Complaints against Members

- 7.1 The Monitoring Officer will act as the principal advisor to the Standards Committee when dealing with complaints against Members.
- 7.2 The Monitoring Officer subject to the approval of the Standards Committee is responsible for preparing any training programme for Members Co-opted Members and Parish/Town Council on ethical Standards and Code of Conduct issues.

Quarterly reports are submitted to the Standards Committee on complaints that have been received.

8. Advice

The Monitoring Officer is also available for Members and Officers to consult on any work relating to the Councils legal powers, provide maladministration, impropriety and probity may, or general advice on the constitution arrangements (e.g. Council Procedure Rules, Policy Framework, Term of Reference, scheme of delegation, etc)

9. Monitoring the Protocol

The Monitoring Officer will report to the Standards Committee each year regarding whether the arrangements set out in this protocol have been complied with and will include any proposals for amendments in the light of issues which have arisen during the year.

10. Conflicts

Where the Monitoring Officer has received a complaint or is aware of an event which may lead to his/her issuing a statutory report relating to a matter upon which he/she has previously advised the Council, he/she shall consult the Chief Executive who may then either refer the matter to the Deputy Monitoring Officer for investigation and report to the Chief Executive or ask a neighbouring authority to make their Monitoring Officer available to investigate the matter and report to the Chief Executive and/or the Authority as appropriate.

Summary of Monitoring Officer Functions

	Function	Source of Function
1.	Report on contraventions or likely contraventions of any enactment or rule of law.	Section 5, Local Government and Housing Act 1989.
2.	Report on any maladministration or injustice where Ombudsman has carried out an investigation.	Section 5, Local Government and Housing Act 1989.
3.	Appointment of Deputy Monitoring Officer.	Section 5, Local Government and Housing Act 1989.
4.	Report on resources needed to undertake Monitoring Officer functions.	Section 5, Local Government and Housing Act 1989.
5.	Receive copies of whistleblowing allegations of misconduct.	Members' Code of Conduct.
6.	Investigate misconduct in compliance with Regulations and directions of Ethical Standards Officers.	Regulations under Section 66 (1) and 66 (6), Local Government Act 2000. Directions from Ethical Standards Officer in individual cases.
7.	Establish and maintain Registers of Members' Interests and gifts and hospitality.	Section 81, Local Government Act 2000 and Members' Code of Conduct.
8.	Advice to Members on interpretation of the Code.	Members' Code of Conduct.
9.	Key role in framework for local determination of complaints. Advice to Members, officers and the public on the operation of the Code and how alleged breaches should be investigated.	Statutory Guidance paragraph 8.20. Regulations under Section 66 of the Local Government Act 2000.
10.	Liaison with Standards for England and Ethical Standards Officers.	Regulations under Sections 54(4), 57(3) and 66 of Local Government Act 2000.
11.	New ethical framework functions in relation to Parish/Town Councils.	Section 83(12). Local Government Act 2000.
12.	Compensation or remedy for maladministration.	Section 92, Local Government Act 2000.
13.	Advice on vices issues, maladministration, financial impropriety, probity and policy framework and budget issues to all Members.	Office of the Deputy Prime Minister guidance (now Department for Communities and Local Government).

Whistleblowing Policy

Do you have a concern about wrongdoing within the Council?
If so, this Policy is designed to tell you what to do about it.

1. Introduction

- 1.1 Wakefield Council is committed to the highest possible standards of conduct and encourages individuals, (refer to 1.5 below for details of who the policy applies to), with concerns about wrongdoing within the Council to come forward and report those concerns. This process is commonly referred to as “whistleblowing” and the aim of this policy is to give detailed advice and reassurance to persons who wish to “blow the whistle” by reporting wrongdoing to those who can make a difference.
- 1.2 This policy acknowledges and incorporates the specific statutory rights and protection given to employees by the Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1998, which applies to certain kinds of disclosure termed “protected disclosure” (see paragraphs 4.7 to 4.9 below for further details).
- 1.3 Provided that you are acting in good faith when making a disclosure and you have a reasonable belief that the information disclosed tends to show that wrongdoing has occurred, is occurring or is likely to occur in the future, it does not matter if you subsequently realise that you are mistaken. You do not have to specifically prove anything in order to have your concerns about wrongdoing investigated - the message the Council wishes to give to you is ‘**if in doubt – raise it**’. Employees are expected to co-operate fully with any investigation
- 1.4 The Council will consider the information received from a whistleblowing disclosure, however the decision as to whether or not to investigate, and the extent of that investigation will remain the Council's.
- 1.5 This policy applies to all employees, including employees of Council-owned companies, Members of the Council, contractors acting under the control of the Council and agency workers and Partnership organisations, which chose to adopt this policy. Organisations receiving grant aid from the Council may also make use of the Council's arrangements where they wish to raise concerns relating to the Council, its Members or employees and whilst the Council will investigate these concerns, such persons may not be able to rely on the statutory protections of the Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1996.

The provisions of this Policy are not directly available to members of the public. Members of the public, who wish to raise a concern about any aspect of the Council's work, including wrongdoing, should follow the Complaints Procedure.

2. Aims and Scope of This Policy

The aim of this Policy is to:

- Encourage the internal reporting of wrongdoing in a safe and constructive manner;
- Identify ways to report concerns to the appropriate regulator or outside body;

- Provide avenues for you to raise concerns about wrongdoing and receive feedback on any action taken by the Council in response to your concerns;
 - Allow you to take the matter further if you are dissatisfied with the Council's response to your concerns;
 - Reassure you that provided you disclose your concerns appropriately and in accordance with this policy, you will be protected from possible reprisals or victimisation.
- 2.2 All organisations face the risk of things going wrong or of unknowingly harbouring wrongdoers. The Council believes it has a duty to identify such situations and take the appropriate measures to remedy the situation. By encouraging a culture of openness the Council believes it can help prevent wrongdoing occurring both now and in the future.
- 2.3 The Council has existing procedures in place to enable you to raise complaints about a variety of issues relating to your employment through the Grievance Procedure. The Whistleblowing Policy is intended to cover concerns that fall outside the scope of the Grievance Procedure and you do not need to raise a grievance in order to disclose a concern about wrongdoing.
- 2.4 Any concern that you have about wrongdoing within the Council can and should be reported under this Policy. If you fail to report your concerns, you could by your silence become implicated in the wrongdoing.
- 2.5 Your concern may be about something that:
- Is unlawful, e.g. theft, fraud, corruption, abuse of clients or service users;
 - Is against the Council's Standing Orders, Financial Regulations and policies, i.e. the Equal Opportunities Policy;
 - Falls below established standards or practice;
 - Amounts to improper conduct;
 - Amounts to a failure to comply with a legal duty, e.g. a breach of a statutory duty;
 - Amounts to a miscarriage of justice;
 - Is a health and safety risk, including risks to the public as well as other employees;
 - Damages the environment;
 - Comprises deliberately covering up of any of the above.
- 2.6 If your concern is in relation to any wrongdoing to Children and/or Vulnerable Persons, further information and guidance on how to raise such concerns can be found in Annex 1.
- 2.7 By knowing about wrongdoing at an early stage, the Council has the chance to take the necessary steps to safeguard its interests. The message the Council wishes to give you is that you must not hesitate to "blow the whistle" on wrongdoing.

3. General Points

- 3.1 Although concerns about wrongdoing can be raised orally or in writing, the Council would encourage you to put them in writing, setting out the background and history of the concern and giving names, dates, places and amounts where possible, providing as much information as you have available. You must fully co-operate with any investigation that is instigated, especially if your concerns relate to the welfare of

Children and Vulnerable Persons. You may therefore wish to involve your Trade Union representative or other advisory body, such as the Citizen's Advice Bureau at this stage.

- 3.2 The Council also encourages you to put your name to your concerns. Concerns expressed anonymously will be considered at the discretion of the Council and in exercising this discretion; the Council will take into account the seriousness of the issues raised, the credibility of the concern and the likelihood of corroboration from other sources.
- 3.3 The Council does not expect you to prove that the wrongdoing has occurred is occurring or is likely to occur in the future but you will need to show to the person you contact that you have sufficient grounds for your concern and that the information disclosed tends to show the wrongdoing.
- 3.4 Any concerns about wrongdoing within the Council which you do not raise in good faith, for example concerns that you raise maliciously, for revenge or for personal gain, may result in action taken against you in accordance with the Disciplinary Procedure. You help to show your good faith by telling the Council all that you know about the matters you raise.
- 3.5 If you are already the subject of any other employment procedure this will not be affected as a result of you raising a concern about wrongdoing under this Policy.

4. Safeguards

Anonymous Disclosure

- 4.1 If you express your concerns about wrongdoing anonymously, your disclosure is much less powerful; consequently, the Council encourages you to put your name to your disclosure.
- 4.2 Anonymous concerns about wrongdoing will still be considered by the Council, although any action taken will be at the discretion of the Investigating Officer. In exercising this discretion, regard will be had to a number of factors, including:
 - The seriousness of the concern raised;
 - The credibility of the disclosure;
 - The likelihood of confirming the concern from other sources.

Confidentiality

- 4.3 All concerns about wrongdoing made under this Policy will be treated confidentially and, unless you agree, the Council will do its best not to disclose your identity.
- 4.4 However, you must appreciate that the investigation process may reveal who raised the concern and as part of this investigation, you may be required to provide a statement to the Council or to an external body, for example the Police or another appropriate enforcement agency.

Harassment or Victimisation

- 4.5 The Council recognises that the decision to raise a concern about wrongdoing can be a difficult one to make. The Council will not tolerate harassment or victimisation as a result of you raising a concern and will take action to protect you when your disclosure was made in good faith and you had a reasonable belief that the information disclosed tended to show the wrongdoing.
- 4.6 If you feel that you have suffered harassment, either directly or indirectly, as a result of raising a concern under this policy, you should refer to the Harassment and Bullying at Work Procedure.

Protected Disclosure

- 4.7 The Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1998 protects workers who make a “protected disclosure” from dismissal, selection for redundancy or from being subjected to any other detriment in employment as a result of raising a concern about wrongdoing.
- 4.8 Consequently, if you raise a concern, which falls into one of six categories of wrongdoing, this will be a “protected disclosure” provided that the specific requirements for that category of wrongdoing are met in that the concern is raised to the proper person or organisation. These six categories are:
- Crimes;
 - Failure to comply with legal obligations;
 - Miscarriage of justice;
 - Risks to Health & Safety;
 - Damage to the environment;
 - Covering up any of the above.
- 4.9 The legal requirements of making a “protected disclosure” about each of these categories of wrongdoing are different for each category. Further information about these requirements is set out in the attached Protected Disclosure Guide (Annex 2).

Unprotected Disclosure

- 4.10 Whilst the Council would wish you to raise any concerns you have about wrongdoing within the Council, if your disclosure does not meet the requirements of a “protected disclosure”, you will not be able to rely upon the protection of the Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1998.
- 4.11 For example, it is unlikely that raising a concern about wrongdoing to the media would qualify as a “protected disclosure”. Please see Section 5 as to how to raise your concern.

Untrue Allegations of Wrongdoing

- 4.12 The Council’s intention in having a Whistleblowing Policy is to encourage you to raise legitimate concerns about wrongdoing. Consequently, if you raise a concern in good faith and you have a reasonable belief that the information disclosed tends to show the wrongdoing has occurred, is occurring or is likely to occur in the future but the

wrongdoing is not confirmed by the subsequent investigation, it is unlikely that any disciplinary action will be taken against you. Where, however, you are shown to have raised concerns about wrongdoing in bad faith, for example you have raised them maliciously, for revenge or for personal gain, disciplinary action may be taken against you in accordance with the Disciplinary Procedure.

5. How to Raise Your Concern

- 5.1 The Council wishes to encourage you to raise any concerns of wrongdoing internally but does recognise that in certain circumstances it may be appropriate that you instead raise your concerns externally, to a relevant external organisation.

Internally – to Management

- 5.2 First, the Council would encourage you to raise any concerns of wrongdoing to your Line Manager. However, the Council appreciates that this depends on the seriousness and sensitivity of the issues involved and also whether you think your Line Manager may be involved in the wrongdoing.

- 5.3 Secondly, if you believe that the issue is too serious or sensitive for you to raise your concerns with your Line Manager or your Line Manager is involved in the wrongdoing, the Council would suggest that you instead approach a Corporate/Service Director.

- 5.4 Thirdly, if you believe that the issue is too serious or sensitive for you to raise your concerns with a Corporate/Service Director or they are involved in the wrongdoing, the Council would ask that you instead approach one of the following:

- The Chief Executive;
- The Director of Finance and Property; or
- The Monitoring Officer
- Internally to the Whistleblowing Officers

- 5.5 In order to provide employees with recognised and consistent points of contact, the Council has designated Whistleblowing Officers who are identified as the following :

- Bernadette Livesey - Service Director, Legal and Governance Services
- Judith Badger – Director of Finance and Property
- Helen Grantham – Service Director, People and Customers

- 5.6 You may wish to contact the Whistleblowing Officers to raise an informal concern about wrongdoing before speaking to Management, for example if you are unsure whether “blowing the whistle” is appropriate in particular circumstances or require assistance on the significance of your concern. Alternatively, you may wish to obtain guidance upon raising your concern effectively, including who to contact about the wrongdoing.

- 5.7 The Whistleblowing Officers can be contacted as follows:

- Using the dedicated 24 hour Whistleblowing hotline on **0808 156 7525**;
- Writing to the Whistleblowing Officers at **P.O. Box 558, Town Hall, WAKEFIELD, WF1 9ES** ensuring to mark your letter “confidential - only to be opened by addressee”;

- E-mailing the Whistleblowing Officers at the following address: whistleblowing@wakefield.gov.uk

Externally

- 5.8 If you feel unable to raise your concerns about wrongdoing internally or feel dissatisfied with an internal investigation into your concerns, the Council acknowledges that you may be justified in contacting a relevant external organisation.
- 5.9 The Secretary of State has prescribed a number of external organisations for the purpose of raising a concern about wrongdoing, in the event that the more stringent conditions regarding external disclosure are met. The attached List of Prescribed Persons sets out who you can contact depending on what your concern is about (Annex 3). He/she may provide independent advice.
- 5.10 The Council acknowledges that in certain, limited, situations, you may also be justified in raising a concern about wrongdoing to a wider audience but would refer you to the attached Protected Disclosure Guide (Annex 2) before you take such action so that you can determine whether this course of action is appropriate.
- 5.11 If you choose to disclose your concern outside the Council, you must take care to ensure that you do not disclose confidential or privileged information. Examples of information that was given to the Council in confidence (either explicitly or where it is clear from the circumstances that there is an expectation that the information will not be passed on) are
- information that would enable a child or other vulnerable client to be identified
 - commercially sensitive information
 - third party personal financial information
 - information that is held as part of court proceedings where the information has not been made public
 - information that could affect national security
 - legal advice given to the service

Where confidential or privileged information is inappropriately disclosed, you may be subject to disciplinary action in accordance with the Disciplinary Procedure.

Concerns about Children and Vulnerable Persons

- 5.12 If your concern is in relation to any wrongdoing to Children and / or Vulnerable Persons, it is imperative that the procedure set out in Annex 1 is followed by reason of the specific obligations upon persons reporting concerns regarding the wellbeing of Children and / or Vulnerable Persons.

General

- 5.13 In all circumstances, you should make it clear that you are raising your concerns about wrongdoing under the Whistleblowing Policy.
- 5.14 The earlier you raise your concern; the easier it may be for the Council to take action.
- 5.15 Once a concern about wrongdoing has been raised either internally or externally, you have a duty to fully cooperate throughout the course of the investigation.

5.16 The Council recognises that you may wish to seek advice from your Trade Union representative or other advisory body, such as the Citizen's Advice Bureau before raising a concern about wrongdoing.

6. How the Council will respond

6.1 The action taken by the Council will depend upon the nature of the concern that is raised.

6.2 In most instances, it is expected that in order to protect individuals and the Council, initial enquiries will be made to decide whether a formal investigation is required and, if so, what form this investigation will take. At this stage, the person dealing with the initial whistleblowing disclosure, in consultation with the Whistleblowing Officers where deemed appropriate, must inform their Service Director/ Service Manager who will then take the decision to:

- Complete the investigation internally using an independent and impartial Officer. They will also determine the terms of reference for the investigation; or
- Refer the matter to an external body for them to investigate;
- Refer the matter to the Council's external Auditor; or
- Refer the matter directly to the Police; or
- Organise an independent inquiry; or
- Refer the matter for consideration under any other existing Council procedure as may be appropriate in the circumstances; or
- Take no further action

If the disclosure has been made directly to a Whistleblowing Officer (s)he will take the decision set out above, unless (s)he considers that it should be referred to the Chief Executive, Director of Finance and Property, Monitoring Officer or appropriate Service Director/Service Manager for consideration.

6.3 The Council would also wish to point out that some concerns about wrongdoing may be resolved by agreed action without the need for further investigation.

6.4 Within 10 working days, or if this is not possible as soon as reasonably practicable, on receipt of your concern about wrongdoing, the Council will write to you, at your contact address, with the following information:

- An acknowledgement that your concern has been received;
- An indication of what happens next;

And when practically possible

- An estimate of how long it will take to provide you with a final response and why it will take this long;
- If applicable, an explanation as to why it may not be appropriate to carry out a formal investigation.

6.5 The amount of contact between you and the Investigating Officer will depend on the nature of the concern about wrongdoing you have raised, the potential difficulties involved and the clarity of the information provided. If it is necessary to seek further

information from you, a meeting will be arranged with you, at which you will have the right, if you wish, to be accompanied by your Trade Union representative or work colleague who is not involved in the area of work to which the concern about wrongdoing relates or another advisory body such as the citizens advice bureau. At your request, any meeting may be held away from your workplace and / or outside working hours if appropriate.

- 6.6 The Council will attempt to resolve the matter within 20 working days, or if this is not possible as soon as reasonably practicable, of your concern being raised. If the matter cannot be resolved within this time scale, the Council will keep you regularly informed of how the concern you raised is being dealt with.
- 6.7 The Council accepts that employees raising a concern about wrongdoing need to be assured that the matter has been properly addressed. Consequently, subject to legal constraints, the person raising the concern will be notified of the outcome of any investigation.
- 6.8 The outcomes of all formal Whistleblowing investigations will be reported to the Corporate Management Team and Standards Committee of the Council by the Service Director People and Customers who will ensure a record of all Whistleblowing cases is collated.
- 6.9 It is recognised that instances may arise where a concern has been raised but not proven, that results in the whistleblower and accused person resuming a working relationship together. This in turn may give rise to concerns of potential victimisation or harassment. Where this is the case, reference should be made to the Harassment and Bullying Procedure.

7. Summary

- 7.1 The Council is committed to the highest possible standard of conduct but acknowledges wrongdoing does occasionally occur.
- 7.2 The Council encourages employees, including employees of Council-owned companies, Members of the Council, contractors acting under the control of the Council and agency workers and Partnership organisations to disclose any concerns of wrongdoing within the Council in accordance with the Whistleblowing Policy.
- 7.3 The Council acknowledges the statutory protections of the Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1998 and is committed to ensuring that those who make a “protected disclosure” are not subjected to any detriment in their employment as a result of making such a disclosure.

Raising a Concern about Wrongdoing to Children and/or Vulnerable Persons

1. This Annex sets out a number of factors, additional to the provisions of the Whistleblowing Policy, which are relevant if the wrongdoing you wish to raise concerns wrongdoing to children and/or vulnerable persons.
2. This Annex acknowledges and incorporates the statutory obligations placed upon those working in Children's Homes by the Children's Homes Regulations 2001, Regulation 16(2)(f) of which places an obligation on such persons to report any child welfare concerns to one of four specific statutory bodies. These statutory bodies are as follows:
 - Your Employer
 - The Commission for Social Care Inspectorate
 - The National Society for the Prevention of Cruelty to Children
 - The Police
3. This Annex also acknowledges and incorporates the publication "No Secrets Guidance" issued under section 7 of the Local Authority Social Services Act 1970, which provides that:
 - Operational staff are responsible for identifying, investigating and responding to allegations of abuse
 - It is the responsibility of all staff to act on any suspicion or evidence of abuse or neglect and to pass on their concerns to a responsible person or agency

Raising a Concern to Your Employer

4. When a concern is raised about wrongdoing to children and/or vulnerable persons, the Council will refer the issue for investigation by a person with sufficient and appropriate independence, experience and expertise in such matters to be able to properly investigate the concern raised. This person may be an Officer of the Council or may, if the concern is complex, be from an external organisation.

The Council will endeavour to ensure that the terms of reference for any concern or concerns raised will be sufficiently open and flexible so as to allow the independent investigator to determine what evidence they need to consider. Specific provision will also be made so that the independent investigator is able to recommend the extension of their original terms of reference should they consider this to be in the children's and/or vulnerable persons' best interests and pursue or report to the appropriate protection authority, any child and/or vulnerable person safeguarding concern they identify, either current or past.

5. Recommendations to extend the original terms of reference may in particular relate to other areas the independent investigator considers relevant to their original terms of reference or more widely to the safety, rights or welfare of children and/or vulnerable persons.
6. The Council will endeavour to ensure that the independent investigator will receive appropriate support and that they will be given access to all relevant information during their investigation.

7. The Council will endeavour to ensure that every effort is made by all concerned in the investigation to preserve confidentiality for identifiable children and/or vulnerable persons, whilst also ensuring that confidentiality does not prevent the proper referral or identification of the concerns raised.
8. Where multiple concerns are raised, either initially or sequentially, the independent investigator will list these concerns separately and respond at the end of the investigative process on each separate concern.
9. When investigating multiple concerns, other persons (including children and/or vulnerable persons, employees, carers and witnesses) will, where this is necessary and/or appropriate, be questioned by the independent investigator in order to elicit information on each separate concern in respect of which they are likely to be in a position to comment or give evidence upon.
10. When investigating a concern alleging or implying risk of past, present or likely future significant harm to children and/or vulnerable persons, or significant harm to children's and/or vulnerable persons' rights or welfare, the independent investigator will give first priority to the assessment of any current or likely imminent risk of significant harm or significant breaches of welfare of any child and/or vulnerable person. Past concerns or evidence will be included in the investigation if the independent investigator considers them relevant to present or future safeguarding of the safety, rights or welfare of children and/or vulnerable persons.
11. When investigating concerns about wrongdoing to children and/or vulnerable persons, the independent investigator will give first priority to the resolution of any concerns about the safety, rights and welfare of children and/or vulnerable persons, solely in the interests of the children and/or vulnerable persons affected. Secondary priority will then be given to any and all other concerns raised.
12. Persons who raise a concern about wrongdoing to children and/or vulnerable persons shall be required to co-operate fully in any child and/or vulnerable person protection enquiries or enquiries related to children's and/or vulnerable persons' safety, rights or welfare, and to provide the independent investigator with any and all relevant evidence they have, even if they have a separate complaint or grievance about the process against the Council or any independent investigator. Such a complaint or grievance shall be dealt with separately to the Whistleblowing Policy.
13. The findings and recommendations of the independent investigator shall be notified to the Chief Executive of the Council.

Protected Disclosure Guide

Whether the concern you raise is likely to be a “protected disclosure” under the Employment Rights Act 1996 as amended by the Protection from Disclosure Act 1998 depends upon the following:

1. Whether your concern falls within one of the six categories of wrongdoing and whether you have complied with the relevant requirements for raising a concern;
and
2. The person or organisation you contact to raise your concern.

1. The Six Categories of Wrongdoing – Requirements for Raising a Concern

- Crime
You must have a reasonable belief that your concern tends to show that a criminal offence has been committed, is being committed or is likely to be committed.
- Failure to Comply with Legal Obligations
You must have a reasonable belief that your concern tends to show that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject. The legal obligation must exist - it is not enough that you merely think the legal obligation exists.
- Miscarriage of Justice
You must have a reasonable belief that your concern tends to show that a miscarriage of justice has occurred, is occurring or is likely to occur.
- Risks to Health & Safety
You must have a reasonable belief that your concern tends to show that the health and safety of any individual has been, is being or is likely to be endangered.
- Damage to the Environment
You must have a reasonable belief that your concern tends to show that the environment has been, is being or is likely to be damaged.
- Covering up any of the above
You must have a reasonable belief that your concern tends to show that information tending to show any of the above has been is being or is likely to be deliberately concealed.

Notes

If by raising your concern, you commit an offence, this will not be a protected disclosure.

If you raise a concern in the course of obtaining legal advice and a claim of legal professional privilege could be maintained in legal proceedings, this will not be a protected disclosure.

2. The Person or Organisation You Contact to Raise Your Concern

- Your Employer
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith.
- Other Responsible Person
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith.
 - You must reasonably believe that your concern relates solely or mainly to either the conduct of the Other Responsible Person rather than your employer or to any other matter for which the Other Responsible Person rather than your employer has legal responsibility.
- Legal Advisor
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in the course of obtaining legal advice.
- A Minister of the Crown
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith.
 - Your employer must be an individual appointed under any enactment by a Minister of the Crown or a body whose members are so appointed.
- A Prescribed Person
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith to a person/organisation on the List of Prescribed Persons (see Annex 3).
 - You must have a reasonable belief that your concern falls within any description of matters in respect of which the person/organisation has been prescribed (see Annex 3).
 - You must have a reasonable belief that your concern is substantially true.
- Disclosure in Other Cases
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith.
 - You must have a reasonable belief that your concern is substantially true.
 - You must not raise your concern for personal gain.
 - You must fulfil one of the following conditions:
 - At the time you raise your concern, you must reasonably believe that you will be subjected to a detriment by your employer if you raise your concern to your employer or to a Prescribed Person; OR
 - In a case where there is not a Prescribed Person in relation to the description of matters of your concern, you must reasonably believe that it is likely that evidence relating to your concern will be concealed or destroyed if you raise your concern to your employer; OR
 - You have previously raised substantially the same concern to your employer or to a Prescribed Person.

- It must, in all the circumstances of the case, be reasonable to raise your concern. In determining whether it is reasonable to raise the concern, regard shall be had to the following factors:
 - The identity of the person to whom you raise your concern;
 - The seriousness of your concern;
 - Whether your concern is continuing or is likely to occur in the future;
 - Whether your concern is raised in breach of a duty of confidentiality owed by your employer to a third party, for example a service user;
 - Where you have previously raised substantially the same concern to your employer or to a Prescribed Person, any action which the employer or the Prescribed Person has taken or might reasonably be expected to have taken as a result of your concern having been raised; and
 - Where you have previously raised substantially the same concern to your employer, whether in making the disclosure to your employer you complied with any relevant procedure of your employer, for example the Whistleblowing Policy.
- Disclosure of Exceptionally Serious Failure
 - You must meet the requirements noted above for the category of wrongdoing.
 - You must raise your concern in good faith.
 - You must have a reasonable belief that your concern is substantially true.
 - You must not raise your concern for personal gain.
 - Your concern must be of an exceptionally serious nature.
 - It must, in all the circumstances of the case, be reasonable to raise your concern. In determining whether it is reasonable to raise the concern, regard shall be had to the identity of the person to whom you raise your concern.

List of Prescribed Persons

The following is an extract from the full list of Prescribed Persons containing the external organisations relevant to raising concerns into wrongdoing within the Council.

The Audit Commission for England and Wales (including auditors appointed by the Commission)

Matters in respect of which the person is prescribed:

- The proper conduct of public business, value for money, fraud and corruption in local government, and health service, bodies

Contact

The Audit Commission
1 Vincent Square
London
SW1P 2PN
Tel: 020 7630 1019

The Charity Commissioners for England and Wales

Matters in respect of which the person is prescribed:

- The proper administration of charities and of funds given or held for charitable purposes

Contact

Charity Commission
Liverpool Head of Operations
2nd Floor
20 Kings Parade
Queens Dock
Liverpool
L3 4DQ
Tel: 0870 3330123
Fax: 0151 703 1556

Chief Executive of the Criminal Cases Review Commission

Matters in respect of which the person is prescribed:

- Actual or potential miscarriages of justice

(The Commission has responsibility for these matters in respect of England, Wales and Northern Ireland)

Contact

Criminal Cases Review Commission
Alpha Tower
Suffolk Street

Queensway
Birmingham
B1 1TT
Tel: 0121 633 1800
Fax: 0121 633 1804
Email: info@ccrc.gov.uk

The Care Quality Commission

Matters in respect of which the person is prescribed:

- To regulate health and adult social care services, whether provided by the NHS, local authorities, and private companies or voluntary organisations. And, to protect the rights of people detained under the Mental Health Act.

Contact
Care Quality Commission
National Correspondence
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA
Email: enquiries@cqc.org.uk
Website: www.cqc.org.uk

OFSTED

Matters in respect of which the person is prescribed

- *To inspect and regulate care for children and young people, and inspect education and training for learners of all ages.*

Contact
WBHL
Ofsted
Royal Exchange Buildings
St Ann's Square
Manchester
M2 7LA.
E mail: whistleblowing@ofsted.gov.uk
Website: www.ofsted.gov.uk

The Commissioners for Her Majesty's Revenue and Customs

Matters in respect of which the person is prescribed:

- Value added tax, insurance premium tax, excise duties and landfill tax. The import and export of prohibited or restricted goods
- Income tax, corporation tax, capital gains tax, petroleum revenue tax, inheritance tax, stamp duties, national insurance contributions, statutory maternity pay, statutory sick

pay, tax credits, child benefits, collection of student loans and the enforcement of the national minimum wage

Contact

Her Majesty's Revenue and Customs
Cross Cutting Policy
Room 1E/04
1 Parliament Street
London
SW1A 2BQ
Tel: freephone 0900 595000
Fax: free fax 0800 523 0506
Email: customs.confidential@hmrc.gov.uk

Comptroller and Auditor General of the National Audit Office

Matters in respect of which the person is prescribed:

- The proper conduct of public business, value for money, fraud and corruption in relation to the provision of centrally funded public services

Contact

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
Tel: 020 7798 7999

The Director of the Serious Fraud Office

Matters in respect of which the person is prescribed:

- Serious or complex fraud

Contact

The Director of the Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ
Tel: 020 7239 7272
Fax: 020 7837 1689

The Environment Agency

Matters in respect of which the person is prescribed:

- Acts or omissions which have an actual or potential effect on the environment or the management or regulation of the environment including those relating to pollution,

abstraction of water, flooding, the flow of rivers, inland fisheries and migratory salmon or trout

Contact

The Environment Agency
Rio House
Waterside Drive
Aztec West
Almondsbury
Bristol
BS12 4UD
Tel: 0800 807060 (24 hour line)
or enquiries 01454 624400
Fax: 01454 624409

Food Standards Agency

Matters in respect of which the person is prescribed:

- Matters which may affect the health of any member of the public in relation to the consumption of food and other matters concerning the protection of the interests of consumers in relation to food

Contact

Personnel and Establishments Division
Food Standards Agency
Room 111C
Aviation House
125 Kingsway
London
WC2B 6NH
Tel: 020 7276 8120
Fax: 020 7276 8132

Financial Services Authority

Matters in respect of which the person is prescribed:

- The carrying on of investment business or of insurance business. The operation of banks and building societies, deposit-taking businesses and wholesale money market regimes. The operation of friendly societies, benevolent societies, working men's clubs, specially authorised societies and industrial and provident societies. The functioning of financial markets, investment exchanges and clearing houses. Money laundering, financial crime, and other serious financial misconduct, in connection with activities regulated by the Financial Services Authority

Contact

Director, Authorisation
Financial Services Authority
25 The North Colonnade
Canary Wharf
London

E14 5HS
Tel: 020 7676 4646
Fax: 020 7676 9727
Email: whistle@fsa.gov.uk

General Social Care Council

Matters in respect of which the person is prescribed:

- Matters relating to the registration of social care workers under the Care Standards Act 2000

Contact

General Social Care Council
Goldings House
2 Hays Lane
London
SE1 2HB
Tel: 020 7397 5100
Fax: 020 7397 5145
www.gsccl.org.uk

Health and Safety Executive

Matters in respect of which the person is prescribed:

- Matters which may affect the health or safety of any individual at work; matters which may affect the health and safety of any member of the public arising out of, or in connection with, the activities of persons at work

Contact

Health and Safety Executive
Information Services
Caerphilly Business Park
Caerphilly
South Wales
CF83 3GG
Tel: 0845 345 0055
Fax: 0845 408 9566
Email: hse.infoline@natbrit.com

Housing Corporation

Matters in respect of which the person is prescribed:

- The registration and operation of registered social landlords, including their administration of public and private funds and management of their housing stock

Contact

Assistant Director Supervision
Housing Corporation

149 Tottenham Court Road
London
W1T 7BN
Tel: 020 7393 2000

Local authorities

(The local authority which under section 18 of the Health and Safety at Work etc Act 1974 is responsible for the enforcement of the relevant statutory provisions)

Matters in respect of which the person is prescribed:

- Matters which may affect the health or safety of any individual at work; matters which may affect the health and safety of any member of the public arising out of, or in connection with, the activities of persons at work

Contact

The appropriate local authority

Information Commissioner

Matters in respect of which the person is prescribed:

- Compliance with the requirements of legislation relating to data protection and to freedom of information*

(*Data protection legislation regulates the processing of information relating to individuals, including the obtaining, holding, use or disclosure of such information)

(*Freedom of information legislation provides for the disclosure by public authorities of the information that they hold)

Contact

The Office of the Information Commissioner
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
Tel: 01625 545700
Fax: 01625 524510
Email: mail@ico.gsi.gov.uk

The Pensions Regulator

Matters in respect of which the person is prescribed:

- Matters relating to occupational pension schemes and other private pension arrangements

Contact

The Pensions Regulator
Napier House
Trafalgar Place

Brighton
BN1 4DW
Tel: 0870 6063636
Textphone: 0870 2433123
Fax: 0870 2411144
E-mail: customersupport@thepensionsregulator.gsi.gov.uk
Website: www.thepensionsregulator.gov.uk

The Office of Communications

Matters in respect of which the person is prescribed:

- the provision of electronic communications networks and the use of the electro-magnetic spectrum, broadcasting and the provision of radio and television services, media ownership and control and competition in communications markets

Contact

Chairman
The Office of Communications
Riverside House
2a Southwark Bridge Road
London
SE1 9HA
Tel: 020 7981 3000
Fax: 020 7981 3333

Office of Fair Trading

Matters in respect of which the person is prescribed:

- Matters concerning the sale of goods or the supply of services, which adversely affects the interests of consumers
- Competition affecting markets in the United Kingdom

Contact

Office of Fair Trading
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX
Tel: 020 7211 8000
Fax: 020 7211 8800

HM Treasury

Matters in respect of which the person is prescribed:

- The carrying on of insurance business

Contact

HM Treasury
Insurance Directorate

Parliament Street
London
SW1P 3AG
Tel: 020 7270 1720
Fax: 020 7270 4694

Secretary of State for Trade and Industry

Matters in respect of which the person is prescribed:

- Fraud and other misconduct in relation to companies, investment business, insurance business, or multi-level marketing schemes (and similar trading schemes); insider dealing

Contact

Vetting Section
Companies Investigation Branch
Department of Trade and Industry
Kingsgate House
66-74 Victoria Street
London
SW1H 0WU
Tel: 020 7215 3120
Fax: 020 7215 3112

- Consumer safety

Contact

Consumer Affairs Directorate
V418
Department of Trade and Industry
1 Victoria Street
London
SW1H 0ET
Tel: 020 7215 5496
Fax: 020 7215 0339

Local authorities which have responsibility for enforcement of consumer protection legislation

Matters in respect of which the person is prescribed:

- Compliance with the requirements of consumer protection legislation

Contact

The appropriate local authority

Local authorities which are responsible for the enforcement of food standards

Matters in respect of which the person is prescribed:

- Compliance with the requirements of food safety legislation

Contact

The appropriate local authority

ADVICE AND INFORMATION**Advisory, Conciliation and Arbitration Service (Acas)**

Acas operates a nationwide network of helplines which deal with queries about employment matters, including the rights and obligations arising out of employment law. The service is available to any individual or organisation free of charge. Any worker who contacts Acas will wish to bear in mind the distinction between seeking information about the provisions of the Public Interest Disclosure Act 1998, and the requirements attached to making a protected disclosure, as explained in Annex 2. Circumstances in which disclosures are protected (a "protected disclosure") of this guide.

Public Concern at Work

This is an independent organisation which can provide guidance and training to employers on whistleblowing and can also offer free advice to employees unsure whether or how to raise a concern about workplace wrongdoing.

WAKEFIELD COUNCIL

ANTI-FRAUD AND BRIBERY POLICY STATEMENT

1. FOREWORD

1.1 It is important that the United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. The minimisation of losses to fraud and bribery is essential for ensuring that resources are used for their intended purpose. Sound systems of public accountability are vital to effective management and in maintaining public confidence. Wakefield Council shares these high standards and is committed to protecting the public funds entrusted to it, so as to maximise the resources available for providing community leadership and quality services to its citizens.

1.2 The public is entitled to expect Wakefield Council to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for it. This Anti-Fraud and Bribery Policy outlines the Council's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

1.3 The Policy is based on a series of comprehensive and inter-related procedures, designed to encourage prevention, promote detection and take effective action in respect of any attempted or actual fraudulent act affecting Wakefield Council. To this end, the policy makes it clear to all concerned that appropriate and decisive action will be taken against any perpetrator of fraud and bribery. The Policy also satisfies the legislative requirements of having effective arrangements for tackling fraud and conforms to professional guidance laid down in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government.

2.

INTRODUCTION

2.1 The purpose of this Policy is to outline Wakefield Council's stance on fraud and bribery (including theft and other general wrongdoing) and set out its approach for dealing with the threat or subsequent incidence of fraud and bribery from both internal and external sources. To this end, the Policy covers the following:

- The Council's framework and culture for managing fraud and bribery.
- Roles and responsibilities relevant to preventing fraud and bribery.
- The measures adopted for deterring people from attempting fraudulent acts or bribes.
- Key detection and investigation issues.
- Training and continuous awareness regarding anti-fraud and bribery developments.

2.2 The following definitions are provided for the purposes of this policy and those who seek to commit fraudulent acts or bribes will be dealt with in accordance with this Policy:

Fraud: is the intentional distortion of financial statements or other records by persons internal or external to the Council, which is carried out to obtain an advantage, avoid an obligation or cause loss to another party.

Fraud is therefore a deliberate, dishonest act by an individual or group of people, which can be committed, as per The Fraud Act 2006, by:

- False representation
- Failing to disclose information
- Abuse of position

Bribery: is offering, promising or giving someone a financial or other advantage to induce or reward that person to perform their functions or activities improperly as per The Bribery Act 2010, which came into force 1st July 2011. It is also an offence to request, receive or accept a bribe.

The Bribery Act 2010 also introduces a corporate offence of failing to prevent bribery, which requires adequate procedures to be in place and appropriately supported from the very top of the organisation.

Theft: is the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it.

2.3 The above definitions cover such acts as deception, forgery, extortion, blackmail, conspiracy, collusion, embezzlement, false accounting / false representation,

concealment of material facts, the offering of a gift or reward to influence a person's actions and misappropriation.

- 2.4 Good Corporate Governance requires that the Council is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Council. To this end there will be no distinction made, regarding investigation, between cases that generate financial benefits and those that do not. All cases will be viewed seriously and following investigation the action taken will be in line with the merits of each case and in accordance with other procedures and obligations applicable to Wakefield Council.

3. CORPORATE FRAMEWORK AND CULTURE

- 3.1 Wakefield Council has a wide range of interrelated policies, protocols, codes, rules, procedures, manuals and other guidance documents that provide a corporate framework to counter the possibility of fraudulent activity and / or bribes. These have been formulated taking account of appropriate legislative requirements and expected standards relating to public sector life. Such documents are referred to within the Council's Constitution and include, amongst others:

- Codes of Conduct for Members and Employees
- Financial and Contract Procedure Rules
- Disciplinary Procedures
- Whistleblowing Code of Practice
- Complaints Procedures
- Code of Corporate Governance
- Gifts and Hospitality Protocols
- Register of Employee Interests
- Anti-Money Laundering and Anti-Terrorist Financing Policy

The expectation is that elected / co-opted Members and employees of all levels will adopt the highest standards of propriety and accountability and demonstrate that the Council is acting in a transparent and honest manner. Consequently, any Member / co-opted Member of the Council who commits a fraudulent act against the Council or is involved with bribery in the performance of their duties will be subjected to the Council's procedures for dealing with complaints of misconduct against Members operated via the Council's Monitoring Officer / Standards Committee and may be reported to the Police.

Any employee committing a fraudulent act against the Council or found to be involved with bribery in the performance of their duties will be subjected to the Council's disciplinary procedures and may be reported to the Police. The internal action in relation to both Members and officers will be in addition to any prosecution proceedings that might occur.

- 3.2 The highest standards are also expected from all organisations that have dealings with the Council. Suppliers, contractors, consultants, partners and other organisations funded by the Council are therefore expected to adopt or abide by Council policies, procedures, protocols and codes of practice. The Council will consider the extent to which it has further involvement with any organisation that fails to abide by the expected standards.
- 3.3 Wakefield Council believes that the maintenance of a culture of honesty and openness, based on values such as fairness, trust and integrity is a key element in tackling fraud and bribery. In this respect, each Member and officer of the Council is under a duty to report any reasonable suspicions and is encouraged to raise any concerns about fraud and bribery, in the knowledge that such concerns will be properly investigated. To this end, the Council has a Whistleblowing Code of Practice to protect anyone who wishes to raise concerns about behaviour / practice.
- 3.4 When fraud and / or bribery has occurred due to an identified breakdown in controls, the relevant Corporate Director will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of re-occurrence.

4. PREVENTION

- 4.1 Wakefield Council recognises that incidents of fraud and bribery are costly; both in terms of reputational risk and financial losses (either directly through the loss of cash / assets and / or through the utilisation of resources in dealing with and resolving any identified cases). The prevention of fraud and bribery is therefore a key objective of the Council and respective roles and responsibilities are outlined below.

Role of Elected Members

- 4.2 As elected representatives, all Members of the Council have a duty to the citizens of the District to protect the Council from any acts of fraud and bribery and ensure that resources are used prudently and within the law to safeguard public money, including ensuring they do not procure an advantage improperly. They are required to operate and adhere to the Council's Constitution, which incorporates a Code of Conduct for Members. The Code includes rules regarding:
- The disclosure of relationships
 - The declaration of gifts and hospitality
 - Registering personal interests

Elected Members sign a declaration that they have read and understood the Code of Conduct for Members when they take office. Conduct and ethical matters are specifically brought to the attention of Members during induction and officers advise members of new legislative or procedural requirements, with the

expectation that training will be provided to Members where required. In this context, any offence committed by a Member of the Council in their private life, for which they are convicted of a criminal offence, should be brought to the attention of the Monitoring Officer by the Member concerned, with a view to enabling an appropriate risk assessment of any possible impact on their Council role. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

Role of Monitoring Officer

- 4.3 The Council's Monitoring Officer has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. The Monitoring Officer also encourages the promotion and maintenance of high standards of conduct within the Council, particularly through the provision of support to the Standards Committee.

Role of Section 151 Officer

- 4.4 Section 151 of the Local Government Act 1972 places a statutory responsibility on the Council to appoint a 'Section 151 Officer' to ensure the proper administration of the Council's financial affairs. To this end, the Section 151 Officer will advise all Members and staff regarding financial propriety, probity and budgetary issues. The Section 151 Officer role is very much supported by the work undertaken by Internal Audit.

Role of Management

- 4.5 Managers at all levels are responsible for establishing sound systems of internal control in all of their service's operations, both financial and otherwise, such that the Council has sound methodologies for administering its responsibilities in the provision of services to its citizens. 'Internal control' means the systems of control devised by management to ensure the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources. Such systems must safeguard the Council's assets and interests from fraud, bribery and other wrongdoing.
- 4.6 Managers are also responsible for ensuring that their employees are aware of the Council's Constitution (including the related policies, protocols, codes and procedures) and that the requirements of each are being met in their everyday business activities.

- 4.7 Managers are expected to create an environment within which staff feel able to approach them with any concerns they may have about suspected irregularities and adhere to the Whistleblowing Code of Practice when applicable.
- 4.8 The Council recognises that a key preventative measure in dealing with fraud and bribery is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. Criminal Records Bureau (CRB) checks are undertaken for employees working within relevant areas (e.g. contact with children or vulnerable adults).
- 4.9 Additionally, managers are required to ensure that there is sufficient segregation of duties (or alternative effective control arrangements must be agreed with Internal Audit where this is not possible) when allocating tasks. In particular:
- The duties of providing information about sums due to or from the Council, and calculating, checking and recording these sums, should be separated from the duty of collecting or spending them;
 - Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 4.10 Management are also required to ensure that staff are properly trained to discharge the responsibilities allocated. Once training has been provided, performance is monitored and action taken where appropriate to ensure adherence to proper practices / agreed procedures.

Role of Employees

- 4.11 Employees are governed in their work by the various policies, protocols, codes, rules and procedures, particularly regarding conduct issues and are responsible for ensuring that they follow any instructions given to them by management, particularly in relation to the safekeeping of assets. In this context, any action committed by an employee of the Council in their private life, for which they are convicted of a criminal offence, should be brought to the attention of their line manager by the employee concerned, with a view to enabling an appropriate assessment of any possible impact on their job role and the instigation of any action to address associated risks. Failure to do so, should the matter come to light through other means, will result in the Council's disciplinary procedures being instigated. Line managers should consult with Internal Audit and HR in assessing risks to the Council regarding any notification by an employee of a criminal conviction. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

- 4.12 Employees are also expected to be alert to the possibility that fraud and bribery may exist in the workplace and are under a duty to share (with management or other agreed body) any concerns they may have. Employees are protected under the Whistleblowing Code of Practice, where required, regarding any concerns they raise in good faith.

Role of Internal Audit

- 4.13 Internal Audit independently monitors the existence, appropriateness and effectiveness of internal controls as a service to management and thereby plays a vital preventative role. Internal Auditors are empowered to:
- Enter at all reasonable times any Council premises or land.
 - Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary.
 - Have access to records belonging to third parties such as contractors when required (dependent on rights of access clauses within individual contracts / agreements).
 - Require and receive such explanations as are regarded necessary concerning any matter under examination.
 - Require any employee of the Council to account for cash, stores or any other Council property under their control or possession.
- 4.14 Internal Audit work results in a liaison / reporting process whereby changes in procedures are recommended / agreed with management with a view to reducing risks and preventing losses to the Council.
- 4.15 Internal Audit also follows up and informs management as to the extent that such agreed action has been implemented. Internal Audit has reporting lines to the highest levels of authority within the Council, enabling any failure to implement agreed action to be appropriately challenged.

Role of External Audit

- 4.16 Independent external audit is an essential safeguard of the stewardship of public money. The Audit Commission currently carry this out through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and bribery. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the Council's arrangements for

preventing and detecting fraud and irregularities within financial statements, and arrangements designed to limit the opportunity for bribery.

Role of Partners, Contractors, Suppliers and other Organisations associated with the Council

- 4.17 All organisations associated with the Council are expected to take a proactive role in ensuring the occurrence of fraud and bribery is minimised regarding any dealings with the Council, in line with the due diligence expectations portrayed by the Bribery Act 2010. The standards expected are often set out through legal agreements, which specify the requirements of the Council, when setting up partnerships and other contractual arrangements. However in the interests of good working relationships and continued dealings with the Council, all associated organisations have a general duty to be vigilant regarding the possibility of fraud and bribery, irrespective of any legal agreement, with a view to reporting any suspicions in accordance with the principles stemming from the Council's own policies, procedures and standards, which includes possible referral to the Police.

Role of the Public

- 4.18 Whilst this policy is primarily aimed at those within or directly associated with the Council, the public has a role to play in that they should be honest in their dealings with the Council and inform appropriate Members / officers of the Council if they feel that fraud, bribery or other wrong-doing may have occurred.

Other arrangements

- 4.19 There is a variety of arrangements in place, which facilitate the regular exchange of information between Wakefield Council and other Councils / Public Bodies and Agencies, for the purpose of preventing and detecting fraud, bribery and error. Such arrangements include national, regional and local networks of investigators (such as internal auditors, trading standards officers, housing benefits investigators etc).
- 4.20 The Council operates the Verification Framework (VF) in line with central government initiatives to reduce fraud and error within the benefits arena and a Benefit Fraud Hotline is also in operation to allow members of the public to report individuals who are suspected of abusing the benefits system. Any Member / co-opted Member or employee of the Council who is found to be involved with benefit fraud will be dealt with in accordance with the arrangements outlined in Appendix 3 of this policy

- 4.21 There is also an intelligence gathering, collation and dissemination service on fraud known as the National Anti-Fraud Network (NAFN), of which Wakefield Council is a member.
- 4.22 Data matching, which is recognised as an important tool in the prevention and detection of fraud, is also undertaken on a national and local level. The Audit Commission has drawn up a Code of Data Matching Practice for its National Fraud Initiative (NFI), which is recognised by the Information Commissioner as complying with Data Protection legislation. All Local Fraud Initiatives (LFI's) undertaken by the Council also comply with the Code of Data Matching Practice.
- 4.23 Both elected Members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information. Where such conflicts do arise, these should be openly disclosed and recorded and the relevant Member / officer should not be involved in the decision-making process. Additionally, Members / co-opted Members and employees have a duty to be open and honest about any incidents that they may have been involved in outside of their Council role, which could adversely impact on the Council's reputation or the ability to fulfil their Council role with impartiality.

5. DETERRENCE

5.1 Whilst many of the issues outlined within Section 4 on prevention will act as a deterrent, there are specific ways in which the Council seeks to deter potential wrongdoers from committing or attempting fraudulent acts or becoming involved with bribery. These include:

- Publicising that the Council is firmly against fraud and bribery at appropriate opportunities and will take stern action against perpetrators (e.g. dismissal of employees, prosecution of offenders, termination of contracts etc).
- Acting robustly and decisively when fraud and / or bribery are suspected and, if proven, being committed to viewing cases seriously and taking action as appropriate bearing in mind all relevant factors of each case.
- Always seeking to maximise recoveries for the Council, through agreement, repayment, court action, penalties, insurance, superannuation benefits etc.
- Referring any investigative cases to the Police as soon as there is sufficient evidence that criminal offences are likely to have occurred (As per the Fraud

Response Plan and the Protocol with West Yorkshire Police – Appendices 1 & 2 of this Policy).

- Liaising with the press or otherwise publicising any anti-fraud and bribery initiatives undertaken by the Council and subsequent results, where deemed appropriate.
- Where appropriate, publicising the results stemming from investigations into suspected cases of fraud and bribery.

6. DETECTION

- 6.1 Whilst it is not an Internal Audit responsibility to detect fraud and bribery (this is the responsibility of management), Internal Audit plays an important role in such detection. Internal Audit plans include reviews of systems of internal controls, specific fraud, error and bribery tests, spot checks and unannounced visits. Such work may directly detect instances of fraud, error and bribery and invariably contributes to improved controls / procedures that aid detection of fraud, error and bribery or otherwise deter it from happening.
- 6.2 Corporate Directors and their managers have responsibility for preventing and detecting fraud and bribery, but it is often the alertness of staff or members of the public, to the possibility of fraud and bribery, which aids detection. Allegations and complaints are key sources of detection regarding fraud and bribery and as such the Council treats this type of information seriously and in line with the Whistleblowing Code of Practice where applicable.
- 6.3 Awareness of the key indicators of fraud and bribery is also advantageous to the detection of these offences and the Council is committed to training and communication routines whereby Members of the Council, managers and employees can be informed of or updated with the relevant facts that will aid their vigilance regarding the identification of fraud and bribery.

7. INVESTIGATION

- 7.1 Investigation into fraudulent activity or bribes will be carried out in accordance with the Council's Fraud Response Plan (see Appendix 1) and related protocols with both the Police (see Appendix 2) and the Council's Housing Benefits Investigations Team (see Appendix 3).
- 7.2 Appropriate liaison will take place with key officers of the Council regarding any investigation that is commenced. Such officers as the Chief Executive, Monitoring Officer, Section 151 Officer, Service Director, (People and

Customers) and appropriate Corporate Directors will be informed of the details of each case and subsequent progress as required / necessary.

8. TRAINING / CONTINUING AWARENESS

- 8.1 Wakefield Council recognises that the success of the Anti-Fraud and Bribery Policy will, to a degree, depend on the effectiveness of programmed training and continuing awareness of people throughout the Council and of facilitating people's ability to be responsive regarding fraud and bribery issues.
- 8.2 To facilitate the raising of awareness of this Policy, the Council supports the concept of induction training for all Members and officers of the Council. Support is also given to any anti-fraud and bribery awareness training that is subsequently deemed to be required with a view to ensuring everyone is aware of their responsibilities and duties regarding fraud and bribery and that such responsibilities and duties are reinforced from time to time. To this end consideration will be given to the most effective ways of increasing Member and employee awareness of this policy and their associated responsibilities in complying with it, including any e-learning training / awareness packages that may be available to the Council.

9. CONCLUSIONS

- 9.1 Wakefield Council has in place a robust network of systems and procedures to assist it in the fight against fraud and bribery. It is determined that these arrangements will keep pace with any future developments, in both preventative and detective techniques regarding fraudulent acts or bribes that may affect Council operations or related responsibilities. To this end, the Council will maintain a continuous overview of such arrangements.
- 9.2 The Anti-Fraud and Bribery Policy provides a comprehensive framework for dealing with fraudulent acts, bribes and other wrongdoing against the Council or which could adversely impact on the Council. The approval of this Policy demonstrates the Council's commitment to protecting public funds, minimising losses to fraud and bribery and ensuring there is no adverse impact on the Council's reputation. Having made this commitment, it is imperative that Corporate Directors put in place arrangements for disseminating the Policy and promoting fraud awareness, throughout their service areas.

FRAUD RESPONSE PLAN

1. INTRODUCTION

The purpose of this Fraud Response Plan is to set out the action to be taken when a fraud is suspected or discovered. The Plan is part of the Council's overall Anti-Fraud and Bribery Policy and related procedures, embodied within the Council's Constitution and, as such, will be applied to all identified incidents of fraud and bribery that affect the Council; whether committed by elected Members, employees, or persons from outside the Council such as contractors, suppliers, partners, other bodies associated with the Council or members of the public.

The Plan covers such areas as:

- Identifying concerns.
- Reporting suspected incidents of fraud, bribery or irregularity.
- Reacting to reported incidents.
- Conducting the investigation.
- Further possible actions.
- Training and review.

Adhering to the Plan will enable the Council to:

- Deal with fraud and bribery in a consistent and responsible manner.
- Ensure any loss or damage is minimised.
- Take appropriate action against the perpetrators.
- Recover any identified losses to the fullest degree possible.
- Review the reasons for the incident and, where necessary, take action to prevent a recurrence.
- Deter would-be fraudsters through communicating outcomes.

2. IDENTIFYING CONCERNS

Suspicion of fraud, bribery or other irregularity may arise through a number of means, including:

- Supervision and / or checking of work carried out
- Random spot checks by managers
- Operation of management and control procedures
- Independent checks carried out by Internal Audit
- Suspicions of wrongdoing reported to management / Internal Audit by elected Members, employees, contractors, suppliers, partners, other bodies associated with the Council or members of the public.

The latter is by far the most common means by which fraud, bribes and other irregularities are identified / brought to management's attention.

3. REPORTING

Individuals should communicate concerns at the earliest opportunity to allow investigations to take place without undue delay and minimise the risk of possible wrongdoing. In the first instance reports should be made verbally (in person / via telephone) or in writing (letter / e-mail) directly to:

- An appropriate Service Director / Service Manager.
- The relevant Corporate Director where it may not be appropriate to inform the Service Director / Service Manager.
- The Council's Internal Audit Section where there are concerns as to whether it should be reported within the relevant service area (e.g. where there is a possibility of the relevant Corporate Director or Service Director being associated with the concerns raised).
- The Council's Monitoring Officer where a Councillor, the Chief Executive or a Corporate Director is purported to be directly involved.

Regardless of which of the above officers receive initial notification of suspected fraud / bribery, the matter must be brought to the attention of Internal Audit at the earliest opportunity. Alternatively reports can be made by using the Council's fraudweb e-mail address found within the Internal Audit pages of the Council's Internet site (Visit www.wakefield.gov.uk and select Internal Audit from the A to Z menu. The e-mail link can be found under the "Fighting Fraud" section).

For benefit fraud – refer to detail in Appendix 3 – reports can be made through the Council's Benefit Fraud Hotline (Tel. No. 01977 727526). Additionally, a joint service has been developed between Wakefield, Calderdale, Kirklees and Bradford Councils whereby a single free phone number is available to members of the public for them to report suspected benefit fraud across all four districts. These calls are filtered for each Council to respond to as appropriate. The number is 0800 1697451 and this is jointly advertised by all four Councils.

In addition to the above, Kirklees and Wakefield Councils run a shared service arrangement for investigating Proceed of Crime Act Cases, primarily from a benefit fraud perspective, but which can include other financial investigations, which incorporate anti-money laundering / anti-terrorist financing legislation.

It is preferable for individuals to follow the normal channels (as detailed above) and allow any ambiguity within the details provided to be clarified. This will ensure all relevant information is obtained / taken into account.

Members / Employees of the Council reporting an irregularity on reasonable grounds and in good faith can do so under the Council's Whistleblowing Code of Practice if they feel they may be victimised by raising their concerns. The Council's Whistleblowing Policy, contained within the Council's Constitution, provides protection in such instances, including anonymity where requested, to ensure that suspected wrongdoing can be reported without fear of reprisal.

For all other people outside of the Council, confidentiality will be maintained in respect of reports made reasonably and in good faith, whether or not they are subsequently substantiated. Again the Council encourages openness and co-operation from those raising concerns in the interests of investigating issues efficiently and effectively, but concerns can be raised anonymously if desired.

4. REACTING TO REPORTS OF POTENTIAL FRAUD, BRIBERY OR IRREGULARITY

All reported cases will be treated seriously and investigated in accordance with relevant legislation and the Council's Anti-Fraud and Bribery Policy, where there is no reason not to believe in the allegation. However, where an allegation is found to have been made frivolously, maliciously or for personal gain, the Council may instigate subsequent action against the person making the allegation.

All investigations will be carried out thoroughly with a view to establishing the truth, but will be sensitive to the alleged wrongdoers to ensure minimisation of any possible damage where allegations cannot be substantiated.

Once a concern is reported, appropriate steps will be taken to secure all possible evidence and ensure a complete and objective investigation takes place in all cases, whether financial or not. Management will liaise with Internal Audit to ensure full consideration of the issues and the extent to which immediate action needs to be taken and who will take it.

5. CONDUCT OF THE INVESTIGATION

Internal Audit is responsible for overseeing all fraud and bribery investigations (with the exception of Housing Benefit fraud – see paragraph 5.3) to ensure that they conform to the same standard and are in accordance with legislation, professional practice and any agreed procedures.

Investigation of the suspected fraud, bribery or other irregularity will be carried out by Service Management, Internal Audit or jointly, following consultation. The method of conducting the investigation will be determined when the initial facts are known and the potential severity of the issue is ascertained, but as a minimum will include:

- Who will conduct the investigation.

- Arrangements for collecting and documenting evidence, taking account of the Council's formal Management Investigation Guidance where appropriate.
- Estimated time span.
- Adherence to legislation / professional standards.
- Consideration of referral to / liaison with the Police.
- Consideration of the need to suspend / transfer from duty the individual(s) concerned.
- Agreed reporting mechanism.
- Consideration of who may chair the disciplinary hearing / appeal should the need arise.
- Liaison with Human Resources.

Matters involving suspected Housing Benefit / Council Tax Benefit fraud will be carried out by the Council's dedicated Benefits Investigation Team. Such instances of fraud will generally come to light during the course of the Team's routine investigative work but additional benefits investigative work will be referred to the Team by Internal Audit, as deemed appropriate. Investigations carried out by the Benefits Investigation Team follow national standards for Housing and Council Tax Benefit set by the Department of Works and Pensions. If an instance of fraud is suspected to have been carried out by an officer employed within the Housing Benefit / Council Tax Benefit Team, arrangements have been made for the investigation to be conducted by another Local Authority's Benefit Investigations Team to ensure complete independence and objectivity. All benefit fraud investigators have to complete professional accreditation before they are allowed to undertake such investigations.

Internal Audit has responsibility for notifying the Police of incidents that are likely to have involved criminal acts. Referral will be subject to liaison with the appropriate Corporate Director(s) but where there is any conflict of opinion the Section 151 Officer, in conjunction with the Chief Executive, will make the final decision. Any referral to the police will be undertaken in accordance with the protocol set up between Internal Audit and West Yorkshire Police and may involve either financial or non-financial cases (see Appendix 2 of the Anti-Fraud and Bribery Policy). Any case referred will not impact upon investigative work undertaken by officers of the Council. All staff will co-operate fully with Police enquiries and wherever possible Council and Police enquiries will be co-ordinated to maximise the effective and efficient use of resources and information.

Any necessary investigation will be conducted without regard to any person's relationship with the Council, position, status or length of service, but subject to any legislative requirements relative to the extent of envisaged action, (i.e. whether the matter is likely to be dealt with under internal disciplinary procedures or involving the Police / Courts).

Regardless of who undertakes the investigation, following an examination of records and / or the conduct of interviews with relevant persons, findings will be

documented and a report made to management for appropriate action to be taken. Internal Audit will be given opportunity to comment on such documentation / reports in the interests of consistency and upholding relevant standards.

6. CONSIDERATION OF FURTHER ACTIONS

Where initial enquiries provide reasonable grounds for suspecting an elected Member or a Council officer / employee, appropriate consideration will be given to the need to suspend from duty, or transfer to other duties, the individual(s) concerned. Any suspensions will result in the individual(s) being escorted off the premises, having been allowed to collect personal property only. Items such as security passes, petty cash floats, mobile telephones and keys to premises, offices and furniture will be recovered instantly and where council property is held at the individual's home, he / she will be accompanied by a member of staff to achieve such recovery.

Management will consider the need for / process of denying suspended or transferred individuals access to colleagues, premises / property / records relevant to the investigation. Where necessary, steps will be taken to change locks, withdraw access to computer systems and instruct colleagues accordingly to ensure a complete and objective investigation can take place.

Following an investigation, disciplinary action will be considered where appropriate and any such action required will be conducted in line with relevant employment legislation, recognised Codes of Practice and the Council's own documented procedures.

It is the responsibility of management to ensure that losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. Recovery will be by one of the following methods:

- Agreement by the perpetrator to repay amounts due, either in full or by instalments as agreed with management.
- Through a pension scheme.
- Following a civil action, in which case the advice of the Council's Legal Section will be sought.
- Through the Council's insurers.
- Through legal proceedings / court action.

The person raising the initial concerns will be informed of progress / completion of the investigations (but not necessarily the detailed outcomes) irrespective of whether allegations were substantiated or not.

Where investigations do not substantiate the allegations the outcome will only be communicated to persons who have a legitimate need to know, so as to minimise any possible damage to the reputation of individuals suspected, but subsequently found innocent, of fraud.

To act as a deterrent and reduce the risk of recurrence, outcomes of investigations where fraud, bribery or irregularity is substantiated will be communicated internally to staff and Members in broad terms where deemed appropriate by management after consultation with Internal Audit. Additionally, wider communication of outcomes to the community / press will be considered at a corporate level on a case by case basis with a view to promoting the Council's stance on fraud, bribery and irregularity and that the Council will do what it needs to do to combat such instances as and when they are identified.

7. TRAINING AND REVIEW

A comprehensive training programme will be established and led by Internal Audit with support from other service areas within the Council, to ensure consistency of approach in identifying / dealing with fraud, bribery and other irregularities. Training issues will include:

- Ability to identify any possible fraud, bribes or other irregular activity.
- Dealing with reports of suspected fraud and bribery.
- Carrying out investigations.
- Conducting interviews.
- Attendance at Disciplinary Hearings.
- General awareness of responsibilities for fraud & bribery.

Note: Training in respect of Housing Benefit investigations will be provided by persons suitably accredited to do so.

Training requirements will be reviewed to take account of Council policies and procedures, new legislation and any need arising from changes in circumstances with a view to ensuring continued compliance with the Anti-Fraud and Bribery Policy.

The Fraud Response Plan will be reviewed periodically taking account of all incidents of fraud, bribery and irregularity, to ensure that it remains appropriate and relevant. Any requirement for amendment, resulting from the review, will be agreed between Internal Audit, Legal Services and Human Resources as appropriate.

PROTOCOL FOR WORKING PRACTICES BETWEEN WAKEFIELD COUNCIL INTERNAL AUDIT AND WEST YORKSHIRE POLICE

1. INTRODUCTION

1.1 Good practice advises that there is a clear and effective link of communication and support between a Local Authority's Internal Audit function and its local Police Force. Such links are designed to ensure that when matters of fraud, bribery and other irregularities occur within the Authority, which are to be investigated solely by Internal Audit, jointly by Internal Audit and Service Management or jointly by Internal Audit and the Police, or any combination of these, a source of advice and support is available from the Police to secure an efficient and effective investigation, together with a successful criminal conviction, if appropriate.

1.2 This document is primarily a Wakefield Council document, which guides and regulates Internal Audit's communication arrangements with West Yorkshire Police.

2. PURPOSE OF THIS PROTOCOL

2.1 The protocol sets out the key contacts and arrangements for liaison between Internal Audit and West Yorkshire Police. Additionally, it sets out the working arrangements that ensure best practice is secured when the Police are involved with investigating fraud and bribery on behalf of the Council.

2.2 Whilst this protocol sets out the current working arrangements between Internal Audit and the West Yorkshire Police, it will be necessary to keep these under regular review and amend the protocol to reflect changes that are jointly agreed.

3. KEY CONTACTS

3.1 Within Internal Audit, the key contacts for liaising with the Police will be:

- Roy Hampshire (Audit Manager with responsibility for Anti-fraud and
Newton Bar Bribery issues)
Wakefield WF1 2TX
Tel: 01924 306422 (work) 07789064751 (mobile)
E-mail: rhampshire@wakefield.gov.uk
- Dave Werritt (Principal Auditor with responsibility for Anti-fraud and
Newton Bar and Bribery issues in the absence of Roy Hampshire)
Wakefield WF1 2TX
Tel: 01924 306422 (work) 07789064867 (mobile)
E-mail: dwerritt@wakefield.gov.uk
- Alan Till (Service Manager Internal Audit & Risk to be contacted
Newton Bar in the absence of Roy Hampshire / Dave Werritt)

Wakefield WF1 2TX
Tel: 01924 302364 (work) 07867940355 (mobile)
E-mail: atill@wakefield.gov.uk

3.2 Within West Yorkshire Police, the key contact for liaising with Internal Audit is:

Jeanette Roberts
Detective Sergeant 5630
Economic Crime Unit - Case Evaluator
West Yorkshire Police
Economic Crime Unit
Bolling Road
Bradford
BD4 7AZ
Tel: 01274 373656
E-mail: Jeanette.roberts@westyorkshire.pnn.police.uk

Referrals Mailbox: xc.caseval@westyorkshire.pnn.police.uk

Where it is necessary for a case to be investigated at Divisional level, a discussion by telephone with the Economic Crime Unit Case Evaluator will determine the appropriate Divisional Crime Manager to whom the case should be referred and relevant details will be supplied to Internal Audit for the case to be progressed.

4. CHANGES IN CONTACT DETAILS

4.1 Changes in contact officers will be communicated by either party, to ensure that effective communication arrangements continue.

5. WORKING ARRANGEMENTS

5.1 The following working arrangements have been included within the Protocol to provide a robust framework for the conduct of investigations, either by Internal Audit or jointly with West Yorkshire Police.

(i) Advice / Opinion - Advice will be sought from West Yorkshire Police contacts by Internal Audit where it is deemed that this will provide benefits in respect of the conduct of any investigation. Internal Audit will liaise with W Y Police where an opinion in respect of progressing a case, based on evidence gathered, is required. Internal Audit will always be involved in liaising with the Police, but may not be a part of the investigative work undertaken.

(ii) Investigations - It is the policy of Wakefield Council to refer all cases where fraud, bribery and / or other criminal offences are believed to have taken place to the Police. Where the case is to be referred to the Police, a methodology for conducting each investigation will be agreed by West Yorkshire Police / Internal Audit and / or Service Management. Internal

Audit / Service Management will contact the Police if material new facts, relevant to the investigation, emerge with a view to ensuring appropriate communication and progress regarding the investigation.

- (iii) **Gathering of Evidence** - Wherever possible, discussions between Internal Audit and the Police will take place at the commencement of the investigation, if required. Where it is not obvious that a criminal offence has been committed, discussions will take place as soon as criminal intent is determined. Internal Audit / Service Management will gather evidence for consideration by the Police in the manner determined between the parties involved.

Evidence may be gathered prior to the commencement of an investigation but it is more likely that the investigation will have commenced prior to referral. Discussions in respect of the conduct of each investigation will determine how evidence is to be gathered, by whom and with consideration of the requirements of the Police And Criminal Evidence (PACE) Act. As a general principle, Internal Audit will not conduct interviews under caution, unless absolutely necessary. Where it is deemed necessary for interviews to be conducted under caution, the matter will be referred back to the Police whenever possible and consideration given to utilising Police officers in the information-gathering process.

- (iv) **Quality of Evidence** - Where evidence is provided to the Police for further examination and / or consideration for prosecution, evidence will be to a standard determined by the Police. As a minimum, evidence will be supplied in a manner that is acceptable to the Crown Prosecution Service. The West Yorkshire Police case officer will give guidance on the quality of evidence required and liaise with internal audit at intervals agreed at the point of referral, to ensure that evidential requirements continue to be met and that the Local Authority is kept fully informed at all stages.
- (v) **Training** - Consideration will be given to the training of Internal Audit / Service Management staff by W Y Police on specific issues to enhance the quality of investigative work and reduce the risk of failed prosecutions due to breaches of agreed procedure. Where applicable, joint training opportunities will be considered. Training requirements will be kept under review and reflect changes in legislation which impact upon fraud and bribery investigations.
- (vi) **Outcomes** - Outcomes of Police investigations that have been referred by Internal Audit will be communicated to the Local Authority, in accordance with the Victim Charter as agreed at the point of referral with the Case Officer.

6. REVIEW OF THIS PROTOCOL

- 6.1 Management meetings will be held as appropriate between Internal Audit, the Police and Service Managers to monitor the effectiveness of this protocol and explore further areas for its refinement and development. Timescales are to be determined by mutual agreement. Additional meetings may be convened at the request of either party as required.

PROTOCOL FOR WORKING PRACTICES BETWEEN WAKEFIELD COUNCIL

INTERNAL AUDIT AND HOUSING / COUNCIL TAX BENEFITS SERVICE

1. INTRODUCTION

- 1.1 Good practice advises that there is a clear and effective link of communication and support between a Local Authority's Internal Audit function and its Housing and Council Tax Benefits Service. Such links are designed to ensure that when matters of fraud and bribery occur within the Authority, which are to be investigated solely by Internal Audit, or jointly by Internal Audit and the Benefits Service, a source of advice and support is available from the Benefits Service to secure an efficient and effective investigation, together with a successful criminal conviction, if appropriate.
- 1.2 This document is primarily a Wakefield Council document, which guides and regulates Internal Audit's communication arrangements with the Housing Benefits Service.

2. PURPOSE OF THIS PROTOCOL

- 2.1 The protocol sets out the key contacts and arrangements for liaison between Internal Audit and the Housing Benefits Service. It also sets out the working arrangements that ensure best practice is secured when fraud and bribery investigations impact on both Internal Audit and the Housing Benefits Service.
- 2.2 Whilst the protocol sets out working arrangements between Internal Audit and the Housing Benefits Service, it will be necessary to keep working arrangements under regular review and amend the protocol to reflect any changes that are jointly agreed.

3. KEY CONTACTS

- 3.1 Within Internal Audit, the key contacts for liaising with the Benefits Service will be:
 - Roy Hampshire (Audit Manager with responsibility for Anti-fraud and
Newton Bar Bribery Issues)
Wakefield WF1 2TX
Tel: 01924 306422 (work) 07789064751 (mobile)
E-mail: rhampshire@wakefield.gov.uk

- Dave Werritt (Principal Auditor with responsibility for Anti-fraud and Newton Bar for Bribery Issues in the absence of Roy Hampshire)
 Wakefield WF1 2TX
 Tel: 01924 306422 (work) 07789064867 (mobile)
 E-mail: dwerritt@wakefield.gov.uk
- Alan Till (Service Manager Internal Audit & Risk to be contacted Newton Bar in the absence of Roy Hampshire / Dave Werritt)
 Wakefield WF1 2TX
 Tel: 01924 302364 (work) 07867940355 (mobile)
 E-mail: atill@wakefield.gov.uk

3.2 Within the Benefits Service, the key contacts for liaising with Internal Audit are:

- Melissa Mallaby (Revenues and Benefits Services Manager)
 Civic Centre
 Ferrybridge Road
 Castleford
 WF10 4JH
 Tel. 07718512966 (Works Mobile)
 E-mail mmallaby@wakefield.gov.uk
- Garry Smart (Claims Examination and VF Manager)
 Civic Centre
 Ferrybridge Road
 Castleford
 WF10 4JH
 Tel. 07710390849 (Works Mobile)
 E-mail gsmart@wakefield.gov.uk

There is also a general office number for Melissa and Garry which is 01977 727516.

4. CHANGES IN CONTACT DETAILS

4.1 Changes in contact officers will be communicated by either party, to ensure that effective communication arrangements continue.

5. WORKING ARRANGEMENTS

5.1 The following working arrangements have been included within the Protocol to provide a robust framework for dealing with benefit fraud and related issues.

- (i) **Investigations** - The Benefit Investigations Team will investigate suspected benefit fraud arising from:
 - Information obtained under the Council's Whistleblowing Procedure
 - National Fraud Initiative data matching exercises

- Local Fraud Initiative data matching exercises
- Examination of benefits' claims

Where a member of the Housing and Council Tax Benefits Service is suspected of benefit fraud, Kirklees Benefit Investigations Team will investigate such cases to ensure independence and objectivity of process.

Where the alleged fraudulent activity is by a staff member and does not relate solely to benefit fraud but includes other issues, Internal Audit / Service Management will be responsible for investigating such other aspects in accordance with the Fraud Response Plan (see Appendix 1 of the Anti-Fraud and Bribery Policy).

(ii) Liaison - Internal Audit / Service Management and the Benefits Service will liaise with each other in cases that involve multiple issues (and includes benefit fraud) to ensure that any evidence obtained / action taken does not adversely impact on respective investigations.

(iii) Referral to Human Resources, Internal Audit or the Monitoring Officer - Where Wakefield Council officers / Members are believed to be fraudulently receiving Housing / Council Tax Benefit, cases will be referred to the necessary Council officers for advice in terms of taking internal disciplinary action (see 1 – 3 below for further details). Additionally, where Benefits' staff are suspected of fraudulent activity (e.g. authorising increased benefits on behalf of a relative or friend), HR staff will be kept informed by Kirklees Benefits Investigations Team (see paragraph 5.1(i) above) to ensure appropriate internal action is instigated on a timely basis.

1. Where there is to be a prosecution against an employee or an employee is to be issued with a caution, the Housing Benefits Claims Examination Team (HBCET) will inform Internal Audit, who will liaise with the employee's Service Management and Human Resources with a view to ensuring:

- That the action to be taken is consistent and in line with Council policy.
- Regard is taken of any associated risks.
- Internal disciplinary action is instigated where appropriate.

Any such internal action will be determined through a formal investigation and any investigations that arise will be logged on the Investigations Register held by HR, allowing Internal Audit to enquire about outcomes at any time.

2. Where an administrative penalty is issued against an employee, in preference to prosecuting the employee, the same course of action will be taken as at 1 above on the basis that:
 - There is sufficient evidence of fraudulent intent.
 - If the administrative penalty is refused the case will be submitted for prosecution.
 - There is a need for consistency and simply because a fraudulent claimant has the ability to repay any monies due (including the administrative penalty) this should not preclude them from internal disciplinary action where appropriate.
3. Where an elected or co-opted member of the Council is prosecuted for benefit fraud or issued with a caution / administrative penalty, HBCET will inform Internal Audit to enable an appropriate course of action to be progressed via the Council's Monitoring Officer and Service Director, People and Customers, in line with paragraphs 3.1 and 4.2 of the Anti-Fraud and Bribery Policy.

(iv) Referral to Police - Housing and Council Tax Benefit investigations are carried out internally (including prosecutions) and, consequently, are not referred to West Yorkshire Police. However, where a known criminal / violent person is alleged to have committed benefit fraud, there may be occasion to so refer such cases in the interest of protecting staff. Any referrals of this nature will conform to the protocol agreed with the West Yorkshire Police (see Appendix 2 of the Anti-Fraud and Bribery Policy).

(v) Training - Consideration will be given to the training of Internal Audit staff by the Housing Benefit Service to improve Internal Audit understanding on specific benefit service issues; the objective being to enhance the quality of audit work and enable greater assurance to be provided to management regarding:

- Adherence to benefit claims procedures.
- Compliance with ethical standards / protocols
- The operation of the Benefit Investigations Team

Where applicable, joint training opportunities will be considered. Training requirements will be kept under review and reflect changes in Housing and Council Tax Benefit legislation which impact upon fraud and bribery initiatives.

(vi) Outcomes - Outcomes of cases referred to the Housing Benefits Service by Internal Audit will be communicated to the auditor making the referral. Regular updates on progress will be given if the case becomes protracted.

6. REVIEW OF THIS PROTOCOL

6.1 Management meetings will be held as appropriate between Internal Audit, Housing Benefit Service and Human Resources Service to monitor the effectiveness of this protocol and explore further areas for its refinement and development. Timescales are to be determined by mutual agreement. Additional meetings may be convened at the request of either party as required.

ANTI-MONEY LAUNDERING AND ANTI-TERRORIST FINANCING POLICY AND SUPPORT GUIDANCE

1. INTRODUCTION

WHAT IS MONEY LAUNDERING?

Money Laundering is the process of concealing, disguising, converting, transferring or removing the proceeds of crime.

This can be characterised as making “dirty” money “clean”; i.e. giving it the appearance of having come from a legitimate source.

Money laundering is also linked to terrorist financing, whereby the process can often be reversed; i.e. “clean” money is diverted into “dirty” purposes; e.g. the funding of a terrorist operation

- 1.1** The primary legislation relating to suspected money laundering is the Terrorism Act 2000, (TA); Proceeds of Crime Act 2002 (POCA) and the Money Laundering Regulations 2007, (MLR). Public Authority employees, as members of the public, have a personal duty to comply with specific aspects of the legislation. Public Authorities, (not being regulated businesses as defined within the legislation), are not legally obliged to apply the provisions of all the Money Laundering Regulations unless they are undertaking a service ‘by way of business’ i.e. provision of a service to a 3rd party for which formal remuneration is received (provision of legal advice / service outside of the authority). However best practice, including detailed guidance produced by the Chartered Institute of Public Finance & Accountancy, (CIPFA), in 2009 suggests that as responsible bodies they should employ policies and procedures which reflect the essence of the UK’s anti-terrorist financing and anti-money laundering regimes. This includes an expectation within the Comprehensive Area Assessment, (CAA), process Key Lines Of Enquiry, (KLOE), that Local Authorities have in place sound arrangements to deal with money laundering risks.
- 1.2** As a result, the Council is establishing formal internal policies and procedures to prevent the use of its services for money laundering. It is extremely important that all employees / Members are familiar with their responsibilities.
- 1.3** Whilst the full implications of the above legislation are lengthy and complex, this Policy and supporting guidance meets the Council’s obligations relating to the legislation, and associated professional good practice, and will be subject to periodic review and revision as deemed appropriate.

2. POLICY STATEMENT AND SCOPE

- 2.1** This Policy and Guidance applies to all Council employees, (including Agency / temporary workers and partners), and elected Members of the Council. It aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Guidance sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council’s “Responsible Officers” to comply with all legal

and professional obligations. The term “Responsible Officer” refers to all employees and Members to which this document applies as described above.

- 2.2** This Policy sits alongside the Council’s Anti-Fraud & Corruption and Whistle-blowing Policies and Employee / Member Codes of Conduct as a key document in creating a sound framework to minimise and combat the risk of wrongdoing against the Council.
- 2.3** The Council’s aim is to do all it can to prevent wherever possible, taking account of resource implications, the Council and its “Responsible Officers” being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and professional requirements, especially with regard to the reporting of actual or suspected cases. It cannot be stressed too strongly, however, that it is every “Responsible Officer’s” duty to be vigilant.
- 2.4** In order to achieve the above the following key procedures and actions will be implemented and subject to ongoing review:
- 2.4.1** Named officers within the Council will be assigned responsibility to fulfil the role of Money Laundering Reporting Officer, (MLRO) and Deputy MLRO. Such officers will be responsible for:
- Producing and revising relevant policies, procedures and guidance which are both proportionate and cost effective;
 - Providing training as deemed appropriate;
 - Receiving and managing concerns of “Responsible Officers”, including giving advice as to action required;
 - Co-ordinating Suspicious Activity Reports (SARS) to the Serious Organised Crime Agency (SOCA), Where necessary;
 - Pro-active management of all risks associated with money laundering activity.
- 2.4.2** All senior managers and Members will receive awareness training on the key principles of Money Laundering;
- 2.4.3** Based on a risk assessment of staff most likely to be exposed to, or suspicious of, money laundering activity, more detailed training will be provided, including introduction of an E-Learning package to facilitate this process;

GUIDANCE SUPPLEMENTING THE POLICY STATEMENT

3. MONEY LAUNDERING – AN EXPANDED DEFINITION

- 3.1** The phrase “money laundering” means the process by which the identity and true ownership of “dirty money”, i.e. the proceeds of any crime, is changed so that these proceeds appear to originate from a legitimate source.
- 3.2** Although the term “money laundering” has traditionally been used when describing the activities of organised crime, for which the regulations were first introduced, to most people who are likely to come across it, or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting from dishonest activity.

3.3 Most crime, for example the drugs trade, is almost wholly cash driven. For many years, the most common means of laundering money was to deposit large sums of cash at banks. However as the high street banks have tightened their controls in this area, the launderers have turned to more obscure methods, frequently involving buying and selling assets, (including antiques, etc.), property and businesses, to achieve their aims. This has made it much more difficult to detect and prevent money laundering.

3.4 The money laundering process comprises three distinct phases summarised as:

Placement = initial disposal of cash representing proceeds of crime into the system by either deposit at a bank, (or equivalent), purchase of property, shares or other assets;

Layering = breaking any link back to the original proceeds of crime. This includes buying / selling properties, companies or other assets (such as shares, antiques or arts) back to back and transferring funds around the world via various accounts. Launderers often use a legitimate front business to hide illegal activities;

Integration = funds coming back to the individual / group to finance a luxurious lifestyle and possibly fund further criminal activity.

3.5 Examples / signs of money laundering activity include transactions where the other party:

3.5.1 enters into transactions which make little or no financial sense or which go against normal practice;

3.5.1 make large cash payments;

3.5.2 is happy to enter into an apparent bad deal for them;

3.5.3 is unwilling to explain the purpose of a transaction or refuse to provide information requested without reasonable explanation;

3.5.4 suddenly change their pattern of activity;

3.5.5 enter into arrangements / possess assets beyond their apparent financial means;

3.5.6 take part in transactions across a number of different jurisdictions;

3.5.7 use offshore accounts, companies or structures in circumstances where their needs do not support such economic requirements;

3.5.8 unnecessarily route funds through third party accounts.

3.6 Some examples of where money laundering activity could take place within the Local Authority environment include:

3.6.1 sale of items through auctions, (such as property / land / furniture / antiques), where cash payments are made;

- 3.6.2 large cash payments in respect of other land / property transactions;
- 3.6.3 large cash payments to settle debts due to the Council, including Council Tax, NDR, Benefits overpayments and other high value transactions;
- 3.6.4 overpayment of debts leading to requests for large refunds to be made;
- 3.6.5 “partners” making large contributions towards projects / initiatives in the form of cash / cheque and then shortly after requesting refunds for part of the contribution;
- 3.7 In addition to the above, “Responsible Officers” may come across suspicions of money laundering in the form of identifying customers / clients who appear to be “living well above their means”, e.g. property and “luxury items” that does not appear to be in line with their income.
- 3.8 Within the legislation governing money laundering and terrorist financing there are no de minimise levels = any suspicions need consideration.

4 LEGISLATIVE CONTEXT

- 4.1 The key elements of the 3 main acts relating to the offence of money laundering are summarised below.

Proceeds of Crime Act 2002 (POCA)

- 4.1.1 Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland (**section 327**);
- 4.1.2 Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (**section 328**);
- 4.1.3 Acquiring, using or possessing criminal property (**section 329**);
- 4.1.4 Doing something that might prejudice an investigation – for example falsifying a document (**section 342**)

The above offences **apply to all** persons in the UK in both a personal and professional capacity and anyone involved in them risks a criminal conviction.

Other offences under the POCA include:

- 4.1.5 Failure to disclose money laundering offences (**sections 330 – 332**);
- 4.1.6 Tipping off a suspect either directly or indirectly (**section 333**).

The above offences **only apply to certain organisations / classes of people** (the regulated sector including Banks, Building Societies, Private Solicitors / Accountants, Casinos) and exclude Local Authorities. However in line with best practice the Council requires all its “Responsible Officers” to adhere to the principles of each one.

Terrorism Act 2000 (TA)

- 4.1.7** Establishes the offence of money laundering in relation to becoming concerned in an arrangement relating to the retention or control of property, (including finances), likely to be used for the purposes of terrorism, or resulting from acts of terrorism.
- 4.1.8** All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment, irrespective of the amounts involved.

Money Laundering Regulations 2007 (MLR)

- 4.1.9** Both POCA 2002 and TA 2000 contain offences which may be committed by individuals or entities, whereas the MLR 2007, whilst re-affirming the key elements of the above legislation, deal with the systems and controls which “Regulated Businesses” are required to have and contain offences which may be committed by businesses as well as the key individuals within them.
- 4.1.10** The specific requirements of the MLR 2007, outside of the TA 2000 and POCA 2002, do not apply to Local Authorities as they are outside of the definition of “Relevant Persons” undertaking “Regulated Activity”. However due to the nature of business carried out by Local Authorities and an ethical and professional obligation to help “protect the public purse”, the Council will follow CIPFA Guidance which suggests the principles of the MLR 2007 legislation should be applied within a Local Authority environment, specifically relating to policies and procedures aimed at preventing money laundering covering:
- identification and scrutiny of complex or unusually large transactions, unusual patterns of transactions, with no apparent economic or lawful purpose, or other activity likely to be of a nature of money laundering / terrorist financing;
 - prevention of use of products favouring anonymity;
 - determination of whether a client is a Politically Exposed Person (PEP);
 - customer due diligence, i.e. procedures designed to acquire knowledge about the organisation’s clients and prospective clients and to verify their identity as well as monitor business relationships and transactions;
 - internal reporting, including appointment of a MLRO to receive money laundering reports and a system for making those reports;
 - record keeping, including details of customer due diligence and supporting evidence for business relationships and records of transactions, which need to be kept for 5 years after the end of a relationship;

- internal control, risk assessment and management, compliance monitoring, management and communication;

and

- making relevant employees aware of the law relating to money laundering and terrorist finance, and to train those employees in how to recognise and deal with transactions which may be related to money laundering or terrorist financing.

4.1.11 MLR 2007 covers in some detail and complexity the issue of “Customer Due Diligence”, whereby “Relevant Persons” carrying out certain “Regulated Activities” must take extra care to check the identity of the customer or client. Whilst these regulations do not apply to Local Authorities due to them not being classed as a “Regulated Body”, the following principles of “Due Diligence” should be applied, on a risk sensitive basis, in relation to existing and prospective clients / customers:

- seeking evidence of identity, for example:
 - checking with the customer’s website to confirm their business address;
 - conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
 - seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.
- In certain circumstances enhanced customer due diligence must be carried out for example where:
 - the customer has not been physically present for identification;
 - the customer is a politically exposed person, (an individual who at any time in the preceding year has held a prominent public function outside of the UK, and EU or international institution / body, their immediate family members or close associates);
 - there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer’s identity and / or the source of the funds to be used in the business relationship / transaction. If you believe that enhanced customer due diligence is required then you must consult the MLRO prior to carrying it out.

4.2 Any “Responsible Officer” could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing about it. This Policy sets out how any concerns should be raised.

4.3 It is important that all “Responsible Officers” are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of the legislation. Additionally failure to comply with the requirements of this Policy could result in internal disciplinary investigation and action being instigated, in accordance with the Council’s disciplinary procedures. The key requirement on “Responsible Officers” is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

- 5.1 The officer nominated to receive disclosures about money laundering or terrorist financing activity within the Council is the Senior Audit Manager – Alan Till. He can be contacted as follows:

Alan Till
Senior Audit Manager
Internal Audit
Corporate Performance
Wakefield MDC
Upper Building, Newton Bar
Leeds Road
Wakefield
WF1 2TX

Telephone: 01924 302364

E-mail: atill@ewakefield.gov.uk

- 5.2 In the absence of the MLRO, the Audit Manager, Julie Gill (jgill@wakefield.gov.uk or 01924 306319 at the same address), is authorised to deputise for him.

6 ANTI-MONEY LAUNDERING PROCEDURES

General Levels

- 6.1 As referred to earlier in this guidance, within the legislation relating to money laundering and terrorist financing, there are no de minimise financial or activity levels for reporting concerns, **all suspicions should be raised through the MLRO.**

Cash Payments

- 6.2 In order to reduce the Council's exposure to potential money laundering activity, limits have been set for individual financial transactions. In accordance with the Council's Accounting Manual for Cash Control (paragraph 2.4):

“In order to help ensure that the Council does not contravene the requirements of the Money Laundering Regulations 2007, no cash collection point / individual officer, should accept cash payments of £9,000 or more in one transaction”.

- NB:**
- (i) **Cash is defined as including notes, coins or travellers' cheques in any currency;**
 - (ii) **The above limits will be subject to review and change in line with best practice / professional advice.**

Should any employee be offered a cash payment above the £9,000 limit, it should be pointed out that cash can only be accepted up to this limit. Any cash payment below £ 9,000 should be accepted and receipted in the normal way. Should any employee have suspicion of money laundering activity relating to any transaction involving cash payments, they should raise it in accordance with the procedure set out in paragraphs 6.3 and 6.4 below.

Reporting suspicions

- 6.3 “Responsible Officers” who suspect any level of money laundering activity must immediately contact the MLRO, or the deputy MLRO if appropriate, to report their suspicion. Following consideration of the matter the MLRO / Deputy MLRO will decide whether the formal referral form, (attached at Appendix 1), should be completed.
- 6.4 The “Responsible Officer” must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must not discuss the matter with others or note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.
- 6.5 The “Responsible Officer” must follow any subsequent directions of the MLRO or deputy, and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.
- 6.6 The MLRO or deputy must promptly evaluate any disclosure, to determine whether it should be reported to the Serious and Organised Crime Agency (SOCA).
- 6.7 The MLRO or deputy must, if they so determine, promptly report the matter to SOCA on their standard report form and in the prescribed manner. Up to date forms can be downloaded from the SOCA website at www.soca.gov.uk.
- 6.8 The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to SOCA.

Exemptions

- 6.9 Generally the requirements of this Policy and associated procedures must be adhered to by all “Responsible Officers” within the Council. There are however some exemptions within the legislation, relating to “relevant professional advisers” where information / suspicions come to them in “privileged circumstances”. Such exemptions apply mainly to the legal, external audit / accountants and tax adviser professions and would not normally be relevant to Council “Responsible Officers”.

Record Keeping / Reporting

- 6.10 Where “Responsible Officers” carry out due diligence assessments, records and details of the relevant transaction(s) for that client must be retained for at least five years after the end of the business relationship. Further information relating to the requirement to maintain records of due diligence assessments, will be communicated to relevant officers outside of this guidance.
- 6.11 An electronic copy of every customer due diligence record must be sent to the MLRO to comply with best practice.
- 6.12 The MLRO will maintain a record of all suspicions of money laundering received and outcomes, including cases reported to SOCA. Periodic reports will be submitted to senior management and appropriate Members summarising details of the number of money laundering referrals

7 GUIDANCE AND TRAINING

7.1 In support of this policy and guidance, the Council will:

- make all “Responsible Officers” aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation;
- give targeted training to those most likely to encounter money laundering based on a comprehensive risk assessment;
- include reference to the Money Laundering Policy within “Responsible Officer” induction programmes;
- through the MLRO, respond to any requests for further / more detailed guidance or advice on any issue relating to money laundering;
- implement an E-learning package across the Council for those “Responsible Officers” for whom it is deemed appropriate;
- include a page on the Council’s Internet / Intranet sites containing this policy and all relevant supporting guidance.

8 KEY RISK CONSIDERATIONS

8.1 In applying the policy and procedures recorded within this document, consideration should be given to the associated risks to the Council and “Responsible Officers”. The key risks are identified as:

8.1.1 Failure to implement effective anti money laundering arrangements within the Council;

8.1.2 Failure to effectively communicate the money laundering procedures / requirements to all “Responsible Officers”;

8.1.3 Failure to report suspicions of money laundering to the MLRO and / or the Serious and Organised Crime Agency (SOCA);

8.1.4 Failure to protect the personal safety of “Responsible Officers”, who report suspicions of money laundering.

8.2 The above risks, and any others deemed relevant, will be recorded and monitored by the MLRO through inclusion in a Risk Register, within the Council’s formal Risk Management system.

9 FURTHER INFORMATION

9.1 Further information can be obtained from the MLRO and the following sources:

- **www.soca.gov.uk** – website of the Serious and Organised Crime Agency;
- “Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations” – CIPFA 2005;
- Combating financial crime – further guidance on Anti-money laundering for Public Service Organisations – CIPFA 2009;
- “Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants” – CCAB (**www.ccab.org.uk**);
- Money Laundering Guidance at **www.lawsociety.org.uk**;
- SI 2007 No. 2157 The Money Laundering Regulations 2007 at http://www.hm-treasury.gov.uk/consultations_and_legislation/money_laundering_directive/consult_moneylaundering_2007.cfm

CONFIDENTIAL

REPORT TO MONEY LAUNDERING REPORTING OFFICER

Re: suspected money laundering activity

To: Money Laundering Reporting Officer (MLRO) / Deputy MLRO

From:
[insert name of employee]

Directorate: Ext/Tel No:.....
[insert post title and Business Unit]

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:
[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

[Please tick the relevant box]

Yes

No

If yes, please record details below, including by who, when, how and outcomes:

Have you discussed your suspicions with anyone else?

[Please tick the relevant box]

Yes

No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body for guidance re money laundering? (e.g. the Law Society) [Please tick the relevant box]

Yes

No

If yes, please specify below:

Do you feel you have a reasonable excuse for not disclosing the matter to the Serious and Organised Crime Agency (SOCA)? (e.g. are you a lawyer and wish to claim legal professional privilege?)

[Please tick the relevant box]

Yes

No

If yes, please set out full details below:

RISK MANAGEMENT POLICY & STATEMENT AND STRATEGIC FRAMEWORK

1. INTRODUCTION

- 1.1 The diversity of services undertaken by the Council presents an environment within which there are substantial risks of a strategic and operational nature.
- 1.2 It is essential for the Council to develop Risk Management programmes which ensure that, in discharging its responsibilities to the citizens, the likelihood of loss, damage or reputational harm is minimised by means of anticipating and controlling its, and its partners, exposure to risk.
- 1.3 It is the responsibility of every Member and officer to identify, analyse, eliminate and control exposure to risk and to minimise such losses as they occur.
- 1.4 Risk management is a crucial element of sound governance and is the process by which risks are identified, assessed, controlled, monitored and managed. It is about making the most of opportunities, making the right decisions and about achieving objectives once those decisions are made.
- 1.5 The Policy Statement, Strategic Framework and Implementation Plan contained within this document, provide the framework within which the Council will handle risk. In doing so, the Council will be guided by the following overarching principles:
- a) Leadership and sponsorship of risk management will be from the Council Leader (through Cabinet) and the Chief Executive (through Corporate Management Team).
 - b) Cultural and behavioural change will be promoted to support implementation and embedding.
 - c) Ownership and commitment will be at all levels within the Council.
 - d) A disciplined and open approach will be adopted towards risk management.
 - e) Time and resource dedication will be made available as appropriate.
 - f) Budgets take account of risk likelihood and priorities are addressed accordingly.
 - g) A continuous process of improvement and feedback will be undertaken.
 - h) Risk management forms an intrinsic part of the Governance Framework as included at Appendix A.
- 1.6 According to the Society of Local Authority Chief Executives, (SOLACE) “if a Council doesn’t have effective risk management then it doesn’t have effective management” (Chance or Choice, SOLACE, 2000) and risk management is a key element of the framework of Governance (Delivering Good Governance in Local Government, CIPFA/SOLACE 2007).

- 1.7 This policy statement and strategic framework supersedes the Council's earlier documentation on Risk Management as approved by Cabinet.

2. RISK MANAGEMENT POLICY STATEMENT

- 2.1 The Council recognises that it has a responsibility to manage risks and supports a structured approach to managing them by adopting, implementing and maintaining a risk management strategy as approved by Cabinet. In this way the Council will better achieve its corporate objectives and enhance the value of the services it provides to the community. Good risk management will help identify and deal with the key strategic risks facing an organisation in the pursuit of its goals.

- 2.2 The Risk Management Policy of the Council is to be fully committed to effective risk management, adopting best practices in the identification, evaluation and control of risks, in order to:

- a) Integrate risk management into the culture of the Council and influence those of partners.
- b) Manage risk in accordance with best practice.
- c) Eliminate or reduce risks to the lowest acceptable level.
- d) Anticipate and respond to changing social, environmental and legislative requirements.
- e) Prevent injury and damage and reduce the cost of risk.
- f) Raise awareness of the need for risk management.

- 2.3 By adopting this Risk Management Policy Statement the Council recognises risk management as a key function in helping to ensure it achieves its, and its partners, overall aims and objectives by identifying the barriers to achievement. Through understanding the nature of risks, the Council will become less risk averse and hence more innovative. This will feed into the performance management framework by providing a focus on what matters to make a difference. Risk management offers the opportunity to secure demonstrable improvements and enhance performance.

- 2.4 Risk management will be used as an enabler to unlock the potential for innovation so that more risk can be taken in a managed and knowing way.

3. RISK MANAGEMENT STRATEGIC FRAMEWORK

- 3.1 Risk Management forms a key element of the Council's Governance Framework, which is an integrated framework of systems and processes to effectively manage and monitor assurance on the adequacy and effectiveness of risks and controls. Identifying and managing risk is essential to effectively managing performance, as well as planning and shaping strategic planning.

- 3.2 It is important that risks are identified, evaluated and controlled at each level of the strategic planning hierarchy, as the Council has established an approach to strategic

planning which supports a clear 'line of sight', with priorities cascading from the Community Strategy.

- 3.3 The review and updating of corporate and operational risks is outlined within the Councils Governance Framework (Appendix A). This internal challenge ensures that new and existing risks are continually identified and managed at the most appropriate time of the year to inform strategic planning and resource alignment.
- 3.4 Risk Management is also integral to effective management of the Council's resources. Completion and certification of the Internal Control Assurance Statements at the level of Service Manager upwards, contributes to ensuring that there are clear and effective internal controls in place to ensure that significant business risks are well managed.
- 3.5 This Risk Management Strategic Framework sets out the mechanism by which the requirements of the Council's Risk Management Policy can be achieved. The main aspects covered within the framework are:
 - a) Responsibility for risk management.
 - b) Approach to risk management.
 - c) Resourcing risk management.
 - d) Monitoring and Reporting Arrangements.
 - e) Implementation of Policy (and review).
- 3.6 At the strategic level, the Council shall foster a commitment to a risk management philosophy by ensuring:
 - a) Support of Members and Senior Management is secured.
 - b) Consultative processes across the Council are used to develop and enhance policies, procedures and guidelines.
 - c) Risk management policies and procedures are developed in a timely way in consultation with the legal profession, specialist risk management consultants, regulatory authorities and senior management.
 - d) People are encouraged and recognised for identifying risks that are not being managed and for identifying opportunities for improvement.
 - e) A blame culture is avoided, with officers and Members recognising that minor errors will occur and that lessons will be learnt from them.
 - f) Good risk management is publicised and shared with partner organisations.
 - g) Action is taken to align individual and organisational expectations for risk management.
 - h) Open communication processes are adopted to obtain and share information, in particular to avoid recurrence of problems.

- i) Action is taken to ensure that roles and responsibilities in risk management are understood and embedded in employees work plans.

4. RESPONSIBILITY FOR RISK MANAGEMENT

4.1 All Members and officers of the Council have a role to play in delivering better risk management through their own and others' actions. Members have ultimate responsibility for risk management because risks threaten the achievement of policy objectives. They are responsible for governing the delivery of services to the local community. Members have a responsibility for understanding the strategic risks that the Council faces and to decide how these risks should be managed.

4.2 To deliver effective risk management, the following roles will be performed:

Cabinet

- a) To exercise leadership.
- b) To consider and adopt current and future risk management policies and strategies, aiming for continual improvement.
- c) To support and monitor the risk management process by correctly positioning it as a strategic and operational tool to support achievement, rather than as a mere compliance exercise.
- d) To acknowledge risk management as a strategic and operational tool to further the Council's and its partners' objectives in line with the Community Strategy.
- e) To promote the appropriate culture and attitude essential for successful implementation and robust, ongoing risk management processes.
- f) To determine reporting arrangements and receive at least half-yearly reports on risk management.
- g) Cabinet Portfolio Holders to report (on a timely basis) on any directorate strategic risks which may impact on the corporate agenda.
- h) To designate a Cabinet Member "Risk Champion", with responsibility for pro-actively seeking assurances that the overall risk management strategy is achieved.

Audit Committee

- a) Risk Management to be a standing agenda item in line with its terms of reference.
- b) To monitor and challenge the implementation of the Council's Risk Management Policy & Strategic Framework and the content of the Corporate Strategic Risk Register.

- c) To scrutinise individual corporate strategic risks at its meetings to assess the control mechanisms and action plans in place to manage such risks. This will feed into assurances given for the completion of the Annual Governance Statement.

Overview and Scrutiny Committees

- a) To scrutinise the policy statement and strategic framework and to request reports as appropriate.
- b) To test evidence that robust risk management policies are in place, that they are being properly implemented, reviewed and updated.
- c) To review the management of risks at operational, and where necessary, strategic levels, as determined by the work programme in place.

Corporate Management Team

- a) To champion the management of risks, including designating a CMT member “Risk Champion”, with responsibility for working with the Cabinet member “Risk Champion” in pro-actively seeking assurances that the overall risk management strategy is achieved.
- b) To ensure that the Council, in conjunction with its partners, manages risk effectively.
- c) To review and implement the corporate strategy.
- d) To consider strategic risks affecting the Council, including emerging risk issues.
- e) To ensure all Cabinet reports contain risk implications, where appropriate, and Portfolio Holders are briefed in relation to new and emerging risks.
- f) To receive and approve at least half yearly reports on risk management.

Risk Champions

- a) To seek assurance from Directors and Service Managers that risks have been identified, controlled and managed
- b) To meet bi-monthly with Risk Management Officers in order to gain assurance that the overall risk management strategy is achieved.
- c) To receive regular risk reports as appropriate.

Risk Management Group

- a) To raise the profile and awareness of risk management and promote/share good practice throughout the Council and within the Directorate’s specific area of responsibility of each Group member, in order to continually improve the Council’s approach to risk management.

- b) Attend and contribute to Risk Management Group meetings and report back risk related issues to all service areas as appropriate.
- c) To act as key risk coordinators within their individual Directorates, liaising with all levels of management in gaining assurances that risk management arrangements are robust / developed.
- d) To arrange for appropriate officer/Member/partner training.
- e) To promote quality improvements in risk management, including corporate risk treatments and employing appropriate project methodology.

Service Directors

- a) To demonstrate effective management of risks within their individual areas of responsibility and providing assurances to Directorate and Corporate Management Teams and Cabinet when required.
- b) To communicate and involve employees in risk management and in risk management planning as part of service planning.

Service Managers

- a) To demonstrate effective management of risks within their individual areas of responsibility and report to their respective Service Director / Director.

Employees

- a) To manage risk effectively in their job and report opportunities/risks to their Service Managers.
- b) To undertake their job within risk management guidelines.

Internal Audit and Risk Services

Internal Audit and Risk Services each play an important part in the Council's arrangements for achieving effective risk management, although they cannot be seen to replace the need for corporate and service management responsibility and action.

Internal Audit will:

- a) Challenge and provide assurance on risk management processes, risk identification, evaluation, and the effectiveness of controls, through a planned programme of Risk Based Audit (RBA) reviews determined within a formal risk based planning process.
- b) Provide ongoing corporate risk management support / direction and objective challenge on the extent to which risks are being managed and the effectiveness of controls.

Risk Services will:

- a) Assess the degree to which risk management practices accord with corporate requirements and are designed to meet corporate objectives.
- b) Determine whether the risk management policies are applied consistently and are sensitive to changing circumstances.
- c) Chair the formal meetings of the corporate Risk Management Group.
- d) Provide professional support, advice and guidance across the Council and with external partners on all aspects of risk management.
- e) Ensure there is an integrated and consistent corporate approach to the management of risk, including avoiding duplication of effort, through close working relations with all relevant staff.
- f) Provide advice through networks of specialists.
- g) Provide guidance on best practice in risk mitigation.
- h) Encourage managers and others to manage risks effectively.
- i) Take lead responsibility for maintaining and further developing the Council's formal risk management systems.
- j) Produce Risk Management reports to CMT and Cabinet at least half yearly.

Collective Responsibility

- 4.3 Additionally, it is the responsibility of every Member and officer to ensure that Council programmes, activities, policies and procedures are conducted in a manner which considers the risks associated with such actions. This is particularly important where partnerships are established for service provision in which assurances should be sought that risk management principles are being followed.
- 4.4 It is the responsibility of every member of staff to help to identify, and minimise risks within their immediate area of control or raise the issue with a line manager or others who can take action to manage the risk.

5. APPROACH TO RISK MANAGEMENT

- 5.1 Risk management planning will be integrated with the overall management of finance and performance and facilitated at all levels of the Council and across partnerships, in order to:
 - a) Identify risks and associated resource requirements.
 - b) Use mentoring and coaching to enhance the knowledge and skills of individuals and groups.
 - c) Take action to contribute risk management knowledge and skills to the Council's and its partners' strategic and operational plans.

d) Effectively and efficiently communicate recommended risk control strategies.

5.2 In line with recommended best practice, the Council's approach to risk management requires that all risks should be considered and key business risks systematically recorded and managed in the most cost-effective manner within overall resources available. This includes both strategic and operational risks as summarised under the headings shown below:

Strategic

Contractual/ Competitive	Those affecting the competitiveness of the Council's or partners' services (in terms of cost or quality) and/or their ability to deliver efficiencies or best value;
Customer/ Citizen	Those associated with the failure to meet the current and changing needs and expectations of customers and citizens. These tend to have a reputational or a political impact;
Environmental	Those relating to the environmental consequences of progressing the council's strategic objective (for example, in terms of climate change, energy efficiency, pollution, recycling, landfill requirements, emissions, etc);
Economic	Those affecting the ability of the Council to meet its resourcing needs and commitments (for example internal budgetary pressures, failure to insure adequately, or the consequences of proposed investment decisions);
Legal/ Legislative	Those associated with current or potential changes in national or European law (for example, TUPE regulations);

Reputational	Those that impact on the internal and external perception of the Council and the bond of trust with its stakeholders;
Social	Those relating to the effects of changes in demographic or socio-economic trends on the Council's ability to deliver its objectives;
Technological	Those associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the council's ability to delivery its objectives.

5.3 Managing strategic risks is a core responsibility for senior managers in close liaison with elected Members. Strategic risk assessments should be undertaken as part of the community, corporate and service planning process, and as a key element of service reviews.

Operational

5.4 Risks that managers and staff will encounter in the operation of their duties. These may be:

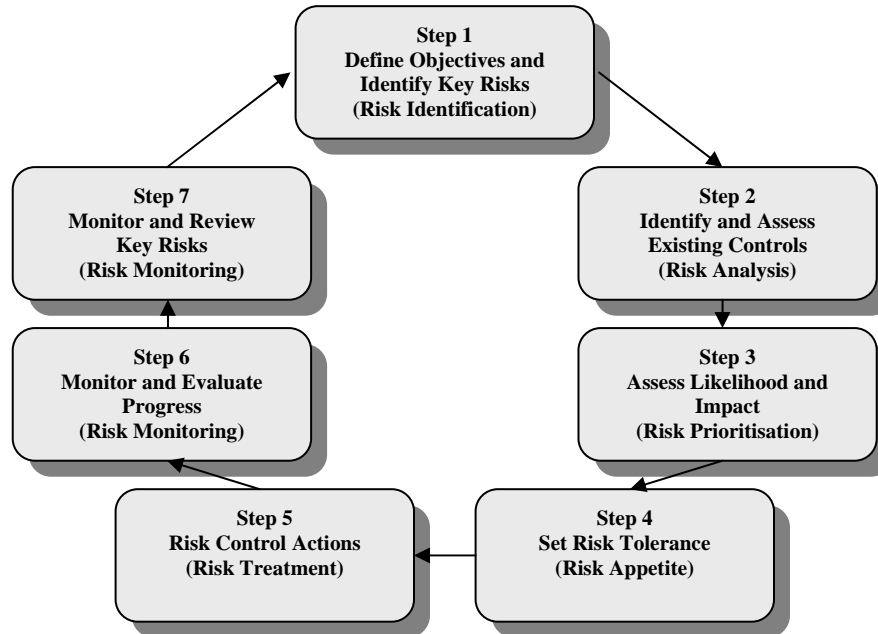
Contractual	Those associated with the failure of contractors to deliver services or products to the agreed cost and specification;
Environmental	Those which may relate to pollution, noise or the energy efficiency of ongoing service operations;
Financial	Those associated with financial planning and control and the adequacy of insurance cover;
Legal	Those related to possible breaches of legislation;
Physical	Those related to fire, security, accident prevention and health and safety (for example, hazards/risks associated with buildings, vehicles, plant and equipment, etc);
Professional	Those associated with the particular nature of each profession (for example, social work service concerns over children at risk);
Technological	Those relating to a reliance on operational equipment (for example, IT systems or equipment and machinery).

5.5 Members and officers carrying out full risk assessments must consider the risks associated with each of the sub-categories above and their inter-relationships. For example, the physical risks associated with the security of a school can have professional consequences for teachers fulfilling their day to day duties and financial consequences for the Council as a whole.

The Risk Management Cycle

5.6 Risk management is firmly linked with the ability of the Council to fulfil clear corporate objectives. As such it is to be part of the performance management architecture of the Council.

5.7 **The risk management cycle is shown below:**



5.8 The approach to risk management requires not just an assessment of the obvious risks. It requires a systematic approach to identifying all the risks that threaten the achievement of the Council's objectives, and an ongoing approach to managing the significant risks that pose the greatest threat. This will be achieved through the following steps of the risk management cycle:

Risk identification

5.9 Risks or obstacles to the achievement of objectives need to be identified through a carefully managed exercise involving senior management and covering all areas of the Council's work.

Risk analysis

5.10 Existing controls managing the risks identified need to be analysed and an appropriate assessment given (Good, Fair or Poor).

Risk prioritisation

5.11 Risks will be analysed and prioritised using impact and likelihood through the use of a matrix. Mapping all risks onto a matrix provides for a natural prioritisation, as the Council will focus first on those risks with a very high likelihood and a catastrophic impact.

The Risk Prioritisation Map is set out below.

P R O B A B I L I T Y	H I G H	3	Risk Score 3	Risk Score 6	Risk Score 9
	M E D I U M	2	Risk Score 2	Risk Score 4	Risk Score 6
	L O W	1	Risk Score 1	Risk Score 2	Risk Score 3
			1 L O W	2 M E D I U M I M P A C T	3 H I G H

Risk appetite

- 5.12 By identifying those risks to be "lived with", the risk appetite of the Council will be established and the focus will be on managing those risks above the appetite.

Risk treatment

- 5.13 Action plans will be developed, both strategically, corporately and operationally, to ensure that these risks are managed in such a way as to reduce the chance of them occurring and / or the impact if they do.

Risk monitoring

- 5.14 Progress against these plans will be regularly monitored by the Corporate Management Team and by the Audit Committee. Overview and Scrutiny have a key role in evidencing that robust risk management policies are in place, that they are being properly implemented, reviewed and updated.
- 5.15 Risk profiles established at Strategic and Directorate level should be regularly monitored, reviewed and updated for changes.

6. RESOURCING RISK MANAGEMENT

Staffing

- 6.1 Every Member and officer is responsible for considering risk implications within all their actions associated with the Council. A great deal of effort has been put into training managers and Members in implementing the Council's risk management strategy. On-going training and opportunities to refresh skills and competencies will be provided as determined necessary by the Risk Management Group. The concept of risk management is now embedded within the culture of the Council and integrated within the corporate performance management framework, but the depth and effectiveness of the risk management culture needs to be assessed and monitored on an ongoing basis.
- 6.2 The Council's Internal Audit and Risk Services will provide designated staffing resources to facilitate achievement of the Risk Management Policy, supported by other Corporate Performance colleagues, including officers from Improvement and Partnerships and the Risk Management Group.

Information Systems

- 6.3 Information technology will be used to its maximum potential, within available resources, in implementing effective risk management. An internally developed risk management database system will be used as the principal tool to assist in the recording, monitoring and reporting of risks at all levels and providing meaningful management information across the Council.

7. MONITORING AND REPORTING ARRANGEMENTS

- 7.1 Overall responsibility for monitoring adherence to the Council's Risk Management Policy rests with the Chief Executive.
- 7.2 Monitoring reports to track changes to the Strategic Risk Register will be submitted to the Cabinet at least annually. Any requirement to revise or update the Policy and Strategic Framework or other significant matters in relation to the Council's management of risk will be reported to Cabinet at the earliest opportunity, including through the Risk Management progress reports produced at least half yearly. The monitoring process will itself be subject to audit to ensure that actions to manage risks bring about reduction in impact or probability of individual risks over time.
- 7.3 Risk considerations are included within all reports to CMT and Members
- 7.4 Corporate and Directorate Strategic Risk Registers are subject to annual review and update.
- 7.5 Internal Audit Progress reports are presented to CMT and Members quarterly and annually, highlighting assurances given on all levels of risk management including any specific problem area.
- 7.6 The Council's risk management processes are aligned to the performance assurance framework as a key part of the corporate and service planning process. Strategic and operational risks are required to be reviewed and updated on a regular basis and monitored through the regular reporting and review mechanism, including quarterly integrated Clinic reports and challenge, including risks escalated from quarterly reviews of Directorate Risk Registers.
- 7.7 The Wakefield Governance Action Plan, linked to the AGS and supporting assurance statements, including assurances around risk management, partnership governance and other governance arrangements, is compiled, implemented and monitored through CMT and the Audit Committee.
- 7.8 The Corporate Plan and all Service Business Plans have their own associated risks identified. As part of the risk review process, the Council will look to achieving a sustainable reduction in the level of risk associated with both corporate and service priorities. The need for ongoing risk management training will be monitored through the Risk Management Group and provided across the Council as need arises.
- 7.9 Progress in implementing the Framework has been significant since 2002 and has been enhanced in the Council over time by:
 - a) Including risk management as a component of its management processes and day to day operations.
 - b) Ensuring its internal controls include sound risk management practice.
 - c) Incorporating risk management into corporate planning, service planning and fundamental service reviews.

- d) Building good risk management practice into its project management, procurement and other partnership activities as standard.
- e) Preparing contingency plans in areas where there is a potential for catastrophic effects on business continuity.
- f) Ongoing realignment of risk registers in line with the new organisational structures of the Council.
- g) Quality review of risk registers to ensure risks are meaningful, relevant and managed using the Risk Management System.
- h) Further enhancement of the specification of the Risk Management System.
- i) Refinement of the risk-based audit approach.

8. IMPLEMENTATION PLAN

- 8.1 Implementation of the Council's policy will be achieved within the framework set down in the Corporate Plan and by achieving the former standards required by the Council's inspectors (Audit Commission) as contained in the relevant Use of Resources Key Lines of Enquiry (2.4).
- 8.2 Implementation of this Plan will involve an ongoing review element which seeks to monitor the effectiveness of the approaches. Findings will be reported to Cabinet and Audit Committee as detailed in section 4 above.
- 8.3 The Council will achieve the implementation of its risk management policy objectives by:
 - a) Maintaining effective communication and the active involvement of every member of staff.
 - b) Monitoring arrangements on an on-going basis, including the development of risk performance indicators.
 - c) Profiling risk as an aid to prioritising objectives.
 - d) Ensuring adequate resources are made available for risk management, including where appropriate using external risk experts, within available resources.
 - e) Continuing to ensure partners are kept informed and educated about the requirement to identify and manage risks when involved in public service provision.
- 8.4 Better risk management requires the support and commitments of Members and senior officers to drive it forward. Through the Council's competency framework and effective communication methodologies, the Council will make its employees aware of the need to manage risk with their jobs.

- 8.5 The citizen has a right to have confidence in the Council and its partners in carrying out its duties in a risk-managed way and therefore strategies will be developed to communicate risk successes to its stakeholders. Stakeholders also have a role in identifying and managing risks so public perception and attitude regarding this will be reviewed and responses developed.

Internal Audit Protocol / Terms of Reference

1. INTRODUCTION

- 1.1 This protocol sets out what Internal Audit does and how it will work together with Officers, Members and other agencies to provide an effective service.
- 1.2 The contents build on existing arrangements and reflect the revised Code of Practice for Internal Audit in Local Government in the United Kingdom issued in 2006 by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 Arrangements will be subject to an annual review, in consultation with Officers, Members and others as appropriate.

2. OBJECTIVE

- 2.1 The primary objective of Internal Audit is to assist management by providing an independent and objective opinion to the organisation on the control environment (comprising the systems of governance, risk management and internal control). This objective is achieved by examining, evaluating and reporting on the adequacy of the Council's control environment via a number of individual audit assignments each year. Based on this work, advice and recommendations will be made where necessary, as to how procedures can be improved to manage the risks faced in providing Council services to achieve its corporate and strategic objectives.

3. AUTHORITY AND INDEPENDENCE

- 3.1 The authority of the Internal Audit Section is derived from Section 151 of the Local Government Act 1972 and Regulation 6 of the Accounts and Audit Regulations 2003 (as amended).
- 3.2 The Council has appointed the Director of Finance and Property and Property as the Officer responsible for implementing Section 151 and the 2003 Regulations, which include the responsibility for ensuring that an adequate and effective Internal Audit function is provided.
- 3.3 Notwithstanding the above, the Service Manager, Internal Audit and Risk, (SMIAR), shall have the right of direct access to the Chief Executive / Head of Paid Service, the Council's Monitoring Officer and to the Leader of the Council, and they to him/her, if required. The practicalities of these arrangements will be discussed, agreed, documented and shared between all relevant parties as deemed necessary.
- 3.4 The Council's Constitution assigns the following roles to Members with regard to Internal Audit:
 - Cabinet will receive and approve the Strategic and Annual Audit Plans and the Annual Audit Report.
 - Standards Committee will review and monitor the Council's response to probity and standards issues arising from Internal Audit functions.
 - Overview and Scrutiny Committees can invite Internal Audit to meetings to discuss

their work plans in respect of the Committee's own work programme.

- Audit Committee will consider issues relating to the Council's accounts, the Audit Commission's Annual Management Letter, Internal Audit and Risk Management as set out in the formal Terms of Reference of the Committee. The SMIAR shall meet as required, in advance of Audit Committee meetings, with the Chair of the Committee to discuss key Internal Audit findings, progress and performance;

- 3.5 In carrying out their duties and responsibilities, Internal Audit staff shall be entitled to, within reasonable timescales, full and unrestricted access to all of the Council's activities, records, property, personnel and information that they consider to be necessary to properly fulfil their function. This right of access is included in the Council's Financial Procedure Rules and a formal protocol for accessing personal data agreed with Corporate Directors. Additionally all Internal Audit staff have been subject to enhanced CRB checks.
- 3.6 Other Council staff must give every possible assistance in order to facilitate the progress of audits. Internal Audit staff in turn will, wherever possible, pre-plan work with managers to minimise disruption to operations.
- 3.7 Internal Audit has no executive responsibility for, or involvement in, the operations of the Council, other than the Internal Audit function itself. It is not an extension of, or substitute for, the function of line management. In this sense it is said to be "independent". Whilst the SMIAR also has managerial responsibility for the Risk Management function, in addition to Internal Audit activity, it is considered that through the nature of this function, and the role fulfilled by Internal Audit Managers, there is no adverse impact on the independence of Internal Audit.

4. RESPONSIBILITIES

- 4.1 Internal Audit, according to the Chartered Institute of Public Finance and Accountancy Code of Practice 2006, *"is an assurance function that provides an independent and objective opinion to the organisation on the control environment comprising the systems of governance, risk management and internal control by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources."*
- 4.2 Management has full responsibility for the establishment of an adequate internal control system; this includes a responsibility for monitoring and providing assurance on its operations as specified in the Council's Code of Corporate Governance. The system should ensure that:
- The Council's policies and directives are developed and followed in order to meet the Council's objectives.
 - Operations are risk-managed, planned, appraised, authorised and controlled in order to achieve continuous improvement, efficiency, economy and effectiveness.
 - Applicable statutes and regulations are complied with, including meeting required behavioural and ethical expectations.

- Public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with statutory and other authorities governing their use.
- Financial performance targets are met.
- Information, accounts and data used and supplied is relevant, reliable, accurate and secure.
- Reporting and accountability frameworks and processes are adhered to.
- Assets and interests are safeguarded from loss.
- Anti-fraud and corruption procedures are effective and operating.

4.3 Internal Audit's responsibilities also include:

- Co-ordination of overall audit activity with the Council's external auditor.
- Advice, as appropriate, on the adequacy of controls being incorporated in systems being developed.
- Liaison as necessary with other internal and external agencies e.g. the Council's Statutory Officers, Inspectors, Police, other Local Authorities, NHS, professional bodies.
- Investigating independently, or jointly with management as considered necessary, and reporting upon, alleged irregularities reported to Internal Audit under Financial Procedure Rules, the Anti –Fraud and Corruption Policy and the Whistle blowing Policy, or detected through the course of undertaking planned audit reviews.
- Consultancy in the related areas of fraud control, governance, risk management, safety and security and other areas of focus determined by the Director of Finance and Property and Property. Such work to be agreed in advance and not to be to the detriment of achieving Internal Audit's prime responsibility or its independence.
- Audit of services provided under partnership arrangements, which are to be laid down in a protocol (or protocols), as deemed necessary, to cover right of access and authority to obtain information necessary for Internal Audit to fulfil its responsibilities in respect of those organisations. Such arrangements may include the following:
 - ♦ Agency work (covered by Service Level Agreements);
 - ♦ Pooled budget and joint service provision with other providers;
 - ♦ PFI/PPP partnership/partnering arrangements;
 - ♦ Local Strategic Partnerships, including other bodies where the Council is the lead/accountable body;
 - ♦ Community partnership arrangements.

5. PLANNING

5.1 Each financial year an Internal Audit Strategy report and risk based Annual Plan of audit work to be performed shall be prepared by the SMIAR, and submitted to the Director of Finance and Property and Property for approval. It will then be reported to Corporate Management Team for ratification. The Strategy and Annual Plan will be presented to Audit Committee for comment and Cabinet for Member approval.

5.2 In formulating the Plan, Internal Audit will consult with the following as deemed appropriate:

- Cabinet Members, Audit Committee and Overview and Scrutiny Chairs;
- Director of Finance and Property and Property;
- CX / Head of Paid Service and Corporate Directors
- Service Management Teams;
- Service Managers;
- External Audit;
- Other regulators / inspectors of WMDC;
- Other external stakeholders;

to determine the extent, scope and risks associated with activities to be reviewed and to ensure proper audit coverage avoiding duplication of effort.

5.3 The Strategic Plan will be a broad outline of the strategy to be adopted by the Council in order to meet Internal Audit objectives as set out in the CIPFA Code. This Plan will provide the basis for annual planning, which will detail the individual audits to be undertaken within the overall strategy for the year ahead.

5.4 Identification and prioritisation of auditable areas is to be based on the following factors:

- Materiality and associated risks
- Significance to achieving Council objectives
- Risk management, performance management and other assurance processes in place
- Assessed controls in systems
- Importance in terms of sensitivity and public accountability
- Coverage, timing and outcome of previous internal or external audit work / other inspection bodies.

5.5 The proposed annual work plan will be produced taking account of identified priority auditable areas and staffing resources available. Should there be a significant variance between the resources available and planned audit work, the SMIAR will bring this to the attention of the Director of Finance and Property & Property, Corporate Management Team and Members within the annual planning reporting process, along with options to solve the shortfall.

5.6 Internal Audit will attend Service Management Team meetings three times (minimum) per year to report on progress on planned work, review the plan and plan work for the forthcoming period. The practicalities of these arrangements will be discussed and agreed.

- 5.7 The SMIAR will keep the work plan under review during the year and, in consultation with the Chief Executive / Head of Paid Service, Corporate Management Team, Service Management Teams, Director of Finance and Property & Property, Audit Committee and Cabinet, will revise it as deemed necessary to reflect changes in risk or other reason and submit it to the Director of Finance and Property & Property for approval and to Corporate Management Team for ratification.
- 5.8 An individual work plan will be prepared for each audit assignment in the Annual Plan. This will be discussed, unless it is inappropriate to do so, with the appropriate level of management responsible for the area to be reviewed prior to commencing work.

6. EVIDENCE

- 6.1 Internal Audit will include within an Audit Manual a process for producing working papers to act as evidential support to reports. They will cover:
- Planning and scoping of the audit, including set up arrangements
 - Examination and evaluation of risk and control
 - Process followed, information obtained and conclusions
 - Review of the file
 - Reporting
 - Follow up of action
- 6.2 During reviews, Audit staff will consult with relevant staff to:
- Obtain information relevant to the review and check its accuracy
 - Seek management views, to ensure balanced audit opinion
 - Check the practicality of recommendations
 - Inform Managers of progress
 - Allow interim action to be implemented by managers prior to the report where significant matters arise

7. REPORTING

- 7.1 Internal Audit findings will be recorded and discussed with the responsible manager(s) in order to agree action to be taken, prior to a formal report being issued in the name of the SMIAR.
- 7.2 Internal Audit will issue a report (in written or presentational form) following each audit undertaken, providing a clear audit opinion and conclusions as to the adequacy of control in the light of assessed risk, and making recommendations / recording action agreed where appropriate on control improvements or reductions. Interim reports will be issued, if deemed appropriate, where audit input is prolonged by the nature of the work or there is a need for urgent action prior to the completion of the audit.
- 7.3 The final report will summarise comments of the manager where agreement could not be reached on conclusions and recommendations.

- 7.4 Only in exceptional circumstances (for example, suspected fraud or irregularity by the normal report recipient) will Internal Audit issue a report to other Officer(s) without first obtaining the agreement of the appropriate line manager and/or Corporate Director.
- 7.5 The Council's Constitution gives the Overview and Scrutiny Committees right of access to the outcomes of any Internal Audit report relevant to any service area they are considering. Such requests are to be made to the relevant Corporate Director.
- 7.6 Management's responsibility is to facilitate the conduct of the audit and reply to the report within two months of the date of issue, unless other arrangements are stipulated. The reply must state the action taken or proposed and associated timescale. In doing this management may decide to bear the risk of taking no, or reduced, action.. If Internal Audit consider the decision to be questionable they will report it, following discussion with the Manager, to the Corporate Director, Director of Finance and Property & Property, Monitoring Officer or CX / Head of Paid Service as appropriate.
- 7.7 Internal Audit will summarise reports and opinions issued in the preceding period and replies outstanding for the periodic meetings with Service Management Teams and quarterly for Corporate Management Team. These Management Teams will be responsible for considering / actioning recommendations and monitoring the implementation of agreed actions and feeding back progress to Internal Audit through the meetings.
- 7.8 Internal Audit will themselves check the implementation of particularly significant recommendations / agreed actions, via a formal Follow Up process, which will be documented and agreed with senior management.
- 7.9 A quarterly progress report will be issued to the Audit Committee, including details of reports issued in the period, replies outstanding and audit opinions on each assignment. Audit Committee will seek assurances that appropriate management action is being taken in line with any agreements or audit recommendations made.
- 7.10 The SMIAR will also issue a separate report to Audit Committee, on a 6 monthly basis, recording details of audit reports issued with an adverse overall opinion and outcomes of investigations into alleged improper conduct. Audit Committee will consider such reports as part of its role in gaining assurances on the overall adequacy of risk management / internal control arrangements
- 7.11 Internal Audit will submit an Annual Audit Report via the Director of Finance and Property & Property and Corporate Management Team to Cabinet for acceptance and Audit Committee for comment. This will cover:
- Annual Audit Opinion on Internal Control (Accounts & Audit Regulations 2003 as amended);
 - Summary of work carried out;
 - Details of the more important issues arising;
 - Performance of the Internal Audit function:
 - ♦ Achievement of Plan objectives
 - ♦ External Audit opinion
 - ♦ Local Performance Indicators
- 7.12 Management should ensure that appropriate action is being taken to address the issues,

including any relating to Internal Auditor performance, future audit plans, and management monitoring arrangements.

8. RELATIONSHIP WITH EXTERNAL AUDIT

8.1 The SMIAR will liaise with the Council's External Auditor to:

- Foster a co-operative and professional working relationship
- Co-ordinate overall audit effort
- Avoid duplication of work
- Share appropriate information

Specifically this will involve:

- Discussions of each others Audit plans and progress
- Receiving and providing copies of each others reports as required
- Familiarisation with each others relevant Codes of Practice and working methods
- Joint facilitation, when required, of good working relations between External Audit and the Council.

8.2 A specific working protocol has been developed and agreed between the Audit Commission and Internal Audit to facilitate the above.

9. QUALITY CONTROL

9.1 The SMIAR, on behalf of the Director of Finance and Property & Property, shall ensure that:

- Staff possess appropriate qualifications and experience
- The Section is adequately resourced to meet Audit objectives
- Staff receive adequate training, through preparation and delivery of an annual training plan.

9.2 The Director of Finance and Property & Property will report, in consultation with the Head of Paid Service (CX), to Cabinet when he/she considers there to be a deficiency in resources, together with recommendations to address it. Such a report shall also include a review of the existing Internal Audit strategy and detailed plan. Management and Cabinet shall consider the report, having due regard to the effect on risk and resources.

9.3 All Internal Audit staff are required to join Continuing Professional Development Schemes where provided by their Institute or, alternatively, to follow an internally developed scheme.

9.4 Internal Audit will adopt and keep under review its performance measures as part of Service Planning processes and report thereon as part of the Council's management control arrangements and in the Quarterly Progress and Annual Audit Reports. Performance, benchmarking and value for money comparisons will also be made through national and local benchmarking groups. Challenge and learning will be provided through External Audit, Peer Reviews and visits to other external organisations.

9.5 External Audit reviews the adequacy of Internal Audit as part of their annual audit of the Council's Governance arrangements. Internal Audit will co-operate with the reviews and

include the results in the Internal Audit Annual Report.

- 9.6 Internal Audit staff are expected to operate in accordance with the Code of Practice and the professional and ethical Standards issued by the Chartered Institute of Public Finance and Accountancy and the Institute of Internal Auditors. Internal Audit shall prepare, maintain and conduct periodic self-assessments for compliance with the Code and Standards.
- 9.7 Each individual audit assignment will be subject to a quality review, by an Audit Manager or Lead Auditor, aimed at ensuring that work has been undertaken to the required level in order to form a clear opinion and in accordance with relevant professional standards. Additionally the SMIAR, or Audit Managers, will carry out a sample of higher level quality assurance reviews on audit files.
- 9.7 Written Client Feedback will be sought on an ongoing basis from managers receiving reports and annually, or at other agreed frequencies, from Service Management Teams. The SMIAR shall ensure that appropriate action is taken and shall report thereon quarterly to the Director of Finance and Property & Property and as appropriate to Corporate Management Team.
- 9.8 As required by the Accounts and Audit Regulations, there shall be an annual assessment of the “effectiveness of Internal Audit”. This assessment will be co-ordinated by the corporate Annual Governance Statement (AGS) Group and results submitted to the Audit Committee for information and comments.

Protocol for External Audit and Inspection Reports

1. INTRODUCTION

1.1 This protocol sets out how the External Auditor (EA) – currently the Audit Commission (AC) and the Council adopt joint working arrangements regarding audit activity arising from the Audit & Inspection programme agreed with the Council annually. The protocol ensures that audit activity is adequately co-ordinated and progressed within the Council. There are other specific protocols in place, which are mentioned in paragraph 1.2 below and are complementary to the workings of this protocol.

1.2 The Council's responsibilities for the conduct of specific interactions with the EA are contained in a separate set of operational protocols/principles maintained by the Director of Finance and Property as follows:

- Internal Audit
- Final Accounts
- Audit of Grants
- Benefits/Use of Resources assessments (non-VFM)

and the Service Director, Partnerships & Performance as follows:

- Corporate Performance Plan
- Data Quality Audit, BVPIs
- Corporate Performance Reviews, inspections and assessments
- Use of Resources Assessments (VFM).

1.3 This protocol builds on requirements of the AC's Code of Audit Practice 2005 which requires the EA to give an independent opinion of the Council's financial statements and to review and report on aspects of the arrangements put in place by the Council to ensure the proper conduct of its financial affairs and to manage its performance and use of resources.

1.4 This protocol provides clarity over respective roles and duties, ensuring that both the Council and the AC are maximising the benefits of the joint working arrangements and that the audit activity is relevant to the needs of the Council. However, the role of the external auditor is statutory. The protocol will be reviewed annually and updated accordingly, as part of the review of key protocols and procedures carried out by the Council's Annual Governance Statement (AGS) Group. The protocol will also be reviewed annually by the EA.

1.5 The remaining sections of this protocol cover:

- The EA's role and responsibilities.
- Delivery of the outputs from external audit and inspection.
- WMDC's responsibilities.

2. THE EXTERNAL AUDITOR'S ROLE AND RESPONSIBILITIES

2.1 The auditor's objectives are to review and report on, to the extent required by the relevant legislation and the requirements of the Code, the following areas:

2.2 Audit of the Council's financial statements:

- To be satisfied that the accounts comply with statutory requirements.
- To be satisfied that proper practices have been observed in compiling the accounts.
- To express an opinion on the accounts.

2.3 Audit of the Council's use of resources:

- To be satisfied that the proper arrangements have been made for securing economy, efficiency and effectiveness in the use of resources and to give a VFM conclusion in the financial statements.
- The Council's compliance with statutory requirements in respect of the preparation and publication of its best value performance plan (Corporate Performance Plan).

2.4 To satisfy themselves of the above, auditors will examine evidence that is relevant to the Council's performance management and financial management arrangements, and report on these arrangements, taking into account:

- The Council's whole system of internal control as reported annually in its Annual Governance Statement (AGS), including the work of Internal Audit.
- Other work by statutory inspectorates where results impact on the scope of the External Audit.

3. AUDIT APPROACH

3.1 The EA's approach is structured to ensure it meets both the Audit Commission's and the Council's requirements by:

- Satisfying the requirements of the Code by the use of the AC Quality Manual and Quality Assurance arrangements. In addition, the AC has its own Quality Control Review process to ensure compliance with the Code and relevant auditing and accounting standards.
- Tailoring the audit and inspection to the relevant needs of the council, where this is possible.

3.2 A key aspect of this approach is the early planning of all audit work and working closely with the Council's officers to identify relevant and significant business risks that the EA may need to take into account.

3.3 Auditors will also consider the Council's own risk assessment process and the arrangements put in place for it to manage and address its risks.

DELIVERY OF THE OUTPUTS FROM EXTERNAL AUDIT & INSPECTION

4. AUDIT AND INSPECTION PLAN

4.1 The EA produces a one year Audit and Inspection Plan for the forthcoming financial year. This protocol records the process to be followed, in ensuring all audit activity is

adequately co-ordinated and progressed within the Council. The scope of this plan, dealing with the use of resources and inspection activity, is influenced by the Council's CPA category. The Plan will be discussed with relevant officers and the Audit Committee prior to formal agreement through CMT and Cabinet, in order to facilitate the Council's own identification of areas for review where this is relevant. A large part of the audit activity is mandatory e.g. systems coverage, final accounts opinion and VFM conclusion.

- 4.2 The main forum for officer discussion is via a monthly 'Liaison Meeting' with the EA. Attendees include the Corporate Director (Regeneration and Economic Growth), Director of Finance and Property, Service Manager (Policy, Partnerships & Performance). EA representatives include the local Audit Manager, the District Auditor/Relationship Manager, and on occasion, the Area Performance Lead (APL).
- 4.3 The EA in its Audit & Inspection Plan identifies that the appropriate addressee of communications from the Auditor to those "charged with governance" is the Audit Committee. This is in compliance with the Code of Audit practice and ISAs (International Standards on Auditing) (UK & I). Interaction between the outputs of EA work and the Committee is outlined in paragraphs 5.9, 5.10, 5.12 and 5.13 below.

5. **WMDC ROLES & RESPONSIBILITIES**

- 5.1 The Chief Executive (CX) / Corporate Director (Regeneration & Economic Growth) / Director of Finance and Property will report to CMT, the relevant Portfolio Holder and Cabinet such forward plans of activity received from the External Auditor (including specific Project Briefs). The CX will designate the CMT Member who will act as principal point of contact with them on each specific audit activity, and notify the External Auditor/Inspector accordingly. In all instances, the Audit Manager should be cc into communications between the council and EA.

Specific Projects

- 5.2 The designated CMT Member shall brief the relevant Portfolio Holder as necessary, and meet the Auditor/Inspector to discuss the scope and arrangements for individual audits/inspections.
- 5.3 The designated CMT Member, for each activity, will nominate a Lead Officer, who will have responsibility for liaising with the Auditor / Inspector throughout the project, plus co-ordination of input required from other officers as the project progresses.
- 5.4 It is the Lead Officer's responsibility to inform the Service Manager (Policy, Partnerships & Performance) and the Senior Internal Audit Manager of the nomination in paragraph 5.3 above and the Partnerships & Performance Service will accordingly organise a briefing for the Lead Officer to outline the requirements of this Protocol.

Draft Audit Reports

- 5.5 All draft reports resulting from audit activity other than financial reports will be received by the Service Director of Partnerships and Performance who will act as the "Council's gateway" and will forward them to the designated CMT Member as set out in 5.1 above. The SDP&P will acknowledge receipt of EA correspondence within 48 hours, by email.
- 5.6 In relation to all draft reports relating to the financial statements or financial governance (see 2.2 above), the Director of Finance and Property will receive and respond to those

specific reports. The DOF will acknowledge receipt of EA correspondence of a financial nature, within 48 hours, by email.

- 5.7 The CMT Member after consultation with the lead officer will engage with the Auditor /Inspector, to check the factual accuracy of the draft and the appropriateness of the recommendations.
- 5.8 Additionally the nominated Lead Officer will liaise direct with the Auditor/Inspector in agreeing the content / timing of the draft report and provide regular progress reports to the Director of Partnerships and Performance.
- 5.9 The Lead Officer will normally arrange a response to, and where necessary, to meet the Auditor/Inspector, to discuss relevant issues arising from the draft report (including issues of fact, amendments, date of redraft or final report), within 3 weeks of the date of issue. In exceptional cases, this deadline can be amended where agreement from the EA has been obtained in writing/ by email and it is the lead officer's responsibility to inform the Service Director Partnership and Performance of the amendments.

Final Reports

- 5.10 Once the drafting of the body of the report is agreed and a Final Draft is provided by the EA, the related Action Plan should be drafted.
- 5.11 The relevant CMT member following consultation with the relevant Portfolio Holder will arrange for the Final Draft Report and related Action Plan to be placed as an item on the next CMT agenda, in order to:
 - Agree the contents/any amendments.
 - Confirm the response and form of final documents to the Auditor/Inspector.
 - Forward the Report, where necessary, to Cabinet and then on to the Audit Committee for regular monitoring.

NB: The target for replying will be 4 weeks from receipt of the Final Draft Report, subject to change where necessary, and communicated to the Auditor/Inspector.

- 5.12 Following the CMT meeting the designated CMT Member will:
 - Copy the final documentation to the Auditor/Inspector, Senior Internal Audit Manager and the Service Director, Partnerships & Performance.
 - Include incorporating any necessary actions and related PI's into Corporate and/or Service Plans.
 - Report to Cabinet and Audit Committee in line with its responsibilities to monitor the Council's System of Internal Control and its response to the work of the External Auditor.

Monitoring Arrangements

- 5.13 The Corporate Director (Regeneration & Economic Growth, Culture & Sport) and Corporate Director (Business & Resources) will use the monthly Liaison Meetings with the EA to monitor and progress any outstanding issues.

- 5.14 The Service Director of Partnerships and Performance will provide regular monthly reports of progress at the Liaison meeting.
- 5.15 At the two pre-determined Liaison Meetings the EA will confirm the contents of a six-monthly update to the Audit Committee, outlining progress against finalising and implementing the recommendations of their reports.
- 5.16 The Lead Officer may be required to respond to Audit Committee via the Director of Finance and Property or the Service Director, Partnerships & Performance on progress against actions.
- 5.17 The Partnership and Performance Service will manage and monitor a database of all audit (and inspection) activity other than financial reports and the Corporate Performance management system will be regularly updated to provide an audit trail of progress and actions. The Director of Finance and Property will manage and monitor financial and governance reports.

Asset Management – Procedures Manual

1. OWNERSHIP AND MANAGEMENT RESPONSIBILITY

1.1 All Council owned land and property assets are a corporate resource and are vested in the Council, not in individual departments.

1.2 In accordance with the Council's Constitution, the Cabinet has overall responsibility for strategic asset management issues, with the Portfolio Holder for Corporate Services having specific responsibility. Matters to be determined by Cabinet are:

- To approve the Asset Management Plan.
- To approve the disposal of assets of strategic or civic importance.
- To approve the disposal of assets at less than best consideration and disposals to organisations of limited financial status, except where the disposal is in accordance with the policy on Community Partnerships and Property.
- To approve asset management issues which are normally delegated, but where objections from elected members have been received.

All other asset management issues are delegated to the Service Manager, Property and Assets.

1.3 The Service Director for Finance and Property is the Officer responsible for the strategic management of all land and property assets except for:

- Highways, which are the responsibility of the Corporate Director (Regeneration and Economic Development); and
- Education assets, for which the Corporate Director (Family Services) is responsible.

Some operational management responsibilities are delegated as shown in the attached chart (Table 1.1)

1.4 The Service Manager, Property and Assets is the designated Corporate Property Officer responsible for strategic asset management, including the Asset Management Plan and Asset Register.

1.5 Whilst the day-to-day management decisions can be made by those responsible for the asset, any significant decisions must be made in the context of the Asset Management Plan and following consideration by the Asset Management Plan Group.

1.6 All decisions in respect of assets must be in accordance with procedures stated in this manual, which will be updated from time to time.

2. THE ROLE OF MEMBERS IN ASSET MANAGEMENT

2.1 Some asset management procedures involve elected Members, either as:

- a Member of Cabinet involved in making a decision which has to be made by Cabinet
- a Cabinet Portfolio Holder involved with a Corporate Director or Service Director in a delegated decision
- a Member of an Overview and Scrutiny Committee.
- an individual Member representing the local community or involved with an organisation which is party to a land transaction.

2.2 As stated in the Council's Guide to Conduct in Public Life, land dealings by public bodies attract keen public interest and are prone to allegations of impropriety, although these are rarely proven. They are more easily answered and resolved where standard procedures exist and can be shown to have been followed. It is therefore vital in the interests of corporate governance, probity and propriety that the following principles are understood and adhered to:

- Members role is to concentrate on strategic or civic decisions, with operational arrangements being delegated wherever possible. In this context strategic decisions are those which would significantly impact on a Council approved strategy or those affecting an area greater than the immediate locality. Civic decisions are those affecting a major civic building.
- each case is decided on its on merits taking account of all relevant matters and no irrelevant matters
- the decision making process is open and accountable
- the need for confidentiality is ensured where necessary

CABINET MEMBERS (Collectively and as individual Portfolio Holders)

2.3 Members of Cabinet will from time to time, be involved in making decisions on land and property issues. In doing so the principles referred to at 2.2 above must be followed. Furthermore Members should not prejudge issues before a full report is considered and should not arrive at a decision prior to the relevant Cabinet meeting. The decisions to be made by Cabinet collectively are listed in the Asset Management Procedures Manual.

2.4 Reports to Cabinet may contain confidential information including the identity of tenderers, the terms for transactions, and information in relation to financial or business affairs of a person. This is exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972 and must not be disclosed to any other party by Cabinet Members or any other Members who may see the report.

2.5 Members should note the separate roles of the Council as a landowner and local planning authority. The proposed use of land may be a relevant issue to a decision on disposal, but any such decision cannot and must not be allowed

to fetter the role of Planning and Highways Committee. In such issues Members should take advice of appropriate Officers, normally the Service Manager, Property and Assets.

- 2.6 Members must also be aware of the statutory requirement to achieve 'best consideration reasonably obtainable' in disposing of land and property. There are certain exceptions to this notably disposal of an interest not exceeding seven years, or disposal in accordance with any consent issued by the Secretary of State. Procedures for such disposals are dealt with at (Part C Section 8) in the Asset Management Procedures Manual. Members should always follow the advice in a report or seek further guidance from Officers when necessary. All decisions must be exercised in the best interests of Council Tax payers.
- 2.7 Cabinet Members must always declare an interest in land and property issues as appropriate. Particular care needs to be taken where any proposed transaction relates to land or property in the vicinity of property owned and/or occupied by a Member. The Council's Constitution defines interests and informs Members of procedures for declaring an interest.
- 2.8 Cabinet Members may individually be informed or consulted from time to time in respect of delegated decisions, made by the Corporate Director or Service Director. This is particularly so for the Regeneration and Economic Growth Portfolio Holder who will be extensively consulted on asset transactions. The principles and guidelines referred to above must also be followed in these cases. Where the responsibility for any decision is delegated to the Corporate Director/Service Director, having consulted the Cabinet Member, this shall be done in accordance with the protocol for Councillors with special responsibilities and Senior Officers. Where the Portfolio Holder disagrees with the Corporate Director/Service Director, the decision may be referred to Cabinet.
- 2.9 Cabinet Members, whether acting collectively or as an individual Portfolio Holder, will also have a role as a local Member representing their local community. In this capacity they will be informed of significant land and property transactions proposed, and may be approached by constituents regarding such issues. Wherever possible it is advisable for a ward colleague to deal with such issues rather than the Cabinet Member. However if the Cabinet Member becomes involved or makes representations, then the interest must be declared. The advice of Officers should be sought where necessary. Cabinet Members should also see the guidance to all Members below.

OVERVIEW AND SCRUTINY COMMITTEES

- 2.10 Overview and Scrutiny Committees may from time to time examine selected land and property transactions. Such scrutiny will help to ensure that the system of accountability is sound.
- 2.11 The main issue here is that of confidentiality. Scrutiny of transactions must be closed to the public. The need to ensure that information supplied to the Committee remains confidential shall apply equally to elected Members serving on the Committee and co-opted Members of the Panel.

ALL MEMBERS

- 2.12 All Members will be informed by the Service Manager, Property and Assets of all surplus assets and proposed disposals, which are of strategic or civic importance or are significant within a local context. This will include assets in which the local community might be expected to have a legitimate interest, or where there is development potential, which could impact on the community. Members will also be informed of applications from tenants to change user clauses where the proposed change could have a significant impact on the local community. Members may wish to make representations to the Service Manager, Property and Assets in such cases. Individual Members cannot veto any proposal, but where Members object to a proposal and there are no legal, technical, or operational reasons not to approve it, the matter will be reported to Cabinet for a decision. The report will include the basis of Member's objections.
- 2.13 The information passed to Members will often be of a confidential or sensitive nature. It is supplied in confidence to inform Members. The information must not be passed on to any other individuals or parties without first taking appropriate advice from Officers. Any Member wishing to share information with the local community should in the first instance seek advice from the Service Manager, Property and Assets.
- 2.14 Members may become involved in land transactions as part of a community group, organisation, Town or Parish Council which is seeking to purchase or lease assets from the Council. In making any representations in such cases, Members must declare any interests.
- 2.15 Where Members are approached by organisations or individuals within their ward to seek support in purchasing or leasing assets, the enquiries should be referred to the appropriate Officer, usually the Service Manager, Property and Assets. It is quite legitimate for Members to advise or assist their constituents, but they must not become involved in negotiations over terms, or seek to unduly influence the outcome.
- 2.16 Members should never meet or deal with prospective developers except where accompanied by Officers, and only then when advised by Officers that there is a clear justification to do so. If an approach is received from a prospective developer, the Member should:
- Avoid giving any commitment or impression of a commitment and avoid indicating the likely decision and committing the Council. If you give an opinion, ensure that it is made clear that this is subject to full consideration of all issues and the subsequent decision of the Council. The impression should not be given that you have made up your mind before having considered the issues in the light of all relevant information.
 - Make clear at the outset of any meeting that the discussion will not bind the Council to making a particular decision, and that any views expressed are personal and provisional. By the very nature of such meetings not all relevant information will be to hand, neither will formal consultations with interested parties have taken place.

- Recommend that the prospective developer contact the relevant Officers of the Council, and advise that representations and information for consideration should be forwarded to the Service Manager, Property and Assets.
 - If any commitment has been given, declare the fact at the Meeting where the proposal is being considered. Such a declaration will be recorded in the Minutes, and you should then take appropriate action with regard to speaking and voting on the proposal.
 - Keep a record of all contacts.
- 2.17 If a Member, or his/her immediate family, is a prospective purchaser of land or property, then the District Valuer must be appointed to undertake a valuation, negotiate terms and make recommendations.