

## **A12. Review of Whistleblowing and Corporate Fraud Investigation Procedures**

The committee considered a report by the Director of Corporate and Housing Services which provided an update on progress with work on the Review of Whistleblowing and Corporate Fraud Investigation Procedures.

A report had been submitted to the April meeting which flowed from a recommendation by Ernst and Young (EY) that the Council should review its Whistleblowing Policy, and Anti-Fraud and Corruption Strategy, to ensure that they remain in line with good practice. This should also establish fraud related reporting arrangements to the Audit Committee.

In regard to reporting to members it was proposed that the following framework is established:-

- The need for the Audit Committee to have reassurance that appropriate procedures are in place which properly balance the protection of public monies; rights of employees; and protection of whistleblowers;
- Flowing from the above, and also recognising the Appeals Committee dimension, Members do not need to know the specifics and individuals involved in a particular fraud investigation;
- Twice yearly general reports on Fraud status would be provided to Audit Committee, with a greater frequency should circumstances dictate; and
- Where particularly sensitive Fraud cases arise, and/or information on the case becomes public, Group Leaders would be briefed as well as the convener of the Audit Committee.

Following a question, the Director of Corporate and Housing Services explained that the Corporate Fraud Team comprised 2 officers who were directly involved in fraud related work and the team was managed by the Internal Audit, Risk and Corporate Fraud Manager. In terms of management structure, the Internal Audit, Risk and Corporate Fraud Manager reported to the Chief Finance Officer who reported to the Director of Corporate and Housing.

The Leader of the Council thanked the Corporate Fraud Team for its effort and for the quality of reports it produced. Councillor Meiklejohn also recognised the team's work on the Covid-19 grant payments. She concurred with the Director of Corporate and Housing around the sensitive nature of Whistleblowing and the need for emphasis to be placed on upholding the integrity of Falkirk Council and protecting those who were involved.

In regard to the frequency of reports to the committee Councillor Meiklejohn suggested that reporting twice annually would be reasonable but it would be helpful to members if benchmark indicators could be introduced to measure performance.

Committee noted concern regarding the inconsistency of prepayment checks of Covid-19 grants highlighting that for some funds all payments were checked and in others only some were checked.

Members sought detail of the outcome for the 5 completed investigations regarding the Whistleblowing together with (recognising the sensitivity around these) any information on the 3 ongoing cases. The Director of Corporate and Housing confirmed that the 5 completed cases had found to have no fraudulent activity. He intended to provide updates in the regular reports to committee although the level of detail on any completed cases, and any learning points, which could be provided had yet to be determined. The 3 ongoing allegations were in 'expected' areas such as misuse of materials or inappropriate use of time for a personal nature.

The committee asked whether the number of information requests from Police Scotland (490) was a concern and whether the Council charged for the work. The Director of Corporate and Housing assured committee that this total was consistent with previous years and the numbers were explicitly Police Scotland approaching the Council. The police were not charged for this although there was, he accepted, a cost to the Council in providing the information. The Internal Audit, Risk and Corporate Fraud Manager further added that Police Scotland were not charged on the premise that a working, collaborative relationship needed to be in place with Police Scotland and therefore would be inappropriate to charge for providing the information. The requests, which were about daily, were in regard to tenant or property information.

The Internal Audit, Risk and Corporate Manager responded to a question asking for greater detail around the Single Person Discount. Ms Wright explained Single Person Discount was exclusive to persons over 18 living independently in the home – different systems worked collaboratively to identify indicators that more than one person lived there and where there was a 'match' officers would investigate.

## **Decision**

### **The Committee:-**

- (1) noted progress with the Fraud Review; and**
- (2) noted the approval routes for updating the Fraud-related documents;**
- (3) agreed to receive twice yearly general reports on Fraud status, with additional reports submitted as required;**
- (4) requested that officers look to include relevant performance and benchmarking information in the reports to committee in addition to information on the benefits to the Council; and**

- (5) noted that when particularly sensitive fraud cases arise, and/or information on a case becomes public, Group Leaders and the Audit Committee convener will be briefed.**