Fraud Awareness-Whistleblowing

Peak District National Park Authority

Internal Audit Report 2015/16

Business Unit: Law
Responsible Officer: Head of Law
Service Manager: Head of Law
Date Issued: 20 October 2015
Status: FINAL
Reference: 69175/001

	P1	P2	P3
Actions	0	0	2
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

Peak District National Park Authority (PDNPA) have a responsibility to embed effective standards for countering fraud and corruption in their Authority. This demonstrates effective governance and financial management. The key five principles to achieve this area;

- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop and appropriate counter fraud and corruption policy, and whistling policy
- provide adequate resources to implement the policies
- take appropriate action in response of fraud and corruption

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that the anti fraud and corruption policy, and the whistleblowing policy are effective, and fit for purpose. Best practice guidance issued by the National Audit Office provided basic criteria for the review.

Key Findings

The Monitoring Officer is responsible for the Anti Fraud & Corruption Policy and the Confidential Reporting Policy ensuring they are up to date, reflective of current legislation and communicated to all employees. There has been one case in which the whistleblowing policy was utilised, Management confirmed the policy was effective, and assisted in reaching an appropriate outcome. There has been one instance of potential fraud and corruption over the past 12 month, and internal audit were contacted at the first opportunity to investigate the issue.

Confidential Reporting Policy
Overall the policy is written to a high standard and is available to all users. The tone of the policy is reassuring and approachable, with a clear commitment made by the Authority. The policy is well structured and laid out in a clear and easy to read format. Clear guidance is offered to Employees and offers alternatives to the standard whistleblowing procedure. Confidentiality is appropriately addressed in the policy and access to independent advice is offered. However, the Policy does not provide contact details of people to be contacted, and does not provide guidance on the type of feedback to be provided

Anti Fraud and Corruption Policy
The policy is up to date, and reflects current legislation and best practice. All required documents are available under the fraud and corruption policy, including gifts and hospitality register, information and communication users, and standing orders. The documents are available to all staff and updated when necessary. The Authority reports annually to KPMG on fraud and corruption throughout the year.

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All staff are shows the anti fraud and corruption documents as part of the induction to the Council.

Overall Conclusions

It was found that the arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance

1 Contact Details

Issue/Control Weakness	Risk
No contact details are available on the confidential reporting policy.	Whistleblower may not raise concerns. The policy should be as simple as possible for the user.

Findings
Within the Whistleblowing policy there are a number of responsible officers listed to obtain advice and guidance from, however there are no contact details for the Officers stated within the Confidential Reporting Policy. Management should consider the benefits of adding contact details to ensure ease of use to the user.

Agreed Action 1.1

Contact details including email addresses and extension numbers will be included in the Policy to ensure ease of use to the user.

Priority	3
Responsible Officer	Monitoring Officer
Timescale	30 November 2015

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2 Feedback

Issue/Control Weakness	Risk
There is very little detail offered to policy users regarding the feedback procedure.	Unsatisfied whistleblower, unclear feedback procedure.

Findings

The Whistleblowing Policy does state that feedback will be provided on all whistleblowing cases; however no further detail is available. Best practice states that the Whistleblowing policy should offer guidance on the type of feedback provided, potential timescales if possible, and guidance to Management on providing feedback. This may also be useful for lessons learned on whistleblowing referrals, and for continuous improvement of the procedure. Management may want to consider including this advice and information for the reader of the policy.

Agreed Action 2.1

Further detail will be added to the Policy to confirm that at the time of responding to concerns the Authority will outline how it intends to feedback including an estimate of anticipated timescales.	Priority	3
	Responsible Officer	Monitoring Officer
	Timescale	30 November 2015

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Audit Opinions and Priorities for Actions

Audit Opinions
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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