

Don't turn a blind eye

How should you react to suspected fraud, corruption or other wrongdoing?

How can the Public Interest Disclosure Act help you?
Why must your organisation have a whistleblowing policy?



Audit Scotland
110 George Street
Edinburgh EH2 4LH

Telephone
0131 447 1234
Fax
0131 447 4567

www.audit-scotland.gov.uk

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www.whistleblowing.org.uk

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Prepared by Audit Scotland and Public Concern at Work

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Prepared by Audit Scotland Providing assurance, promoting excellence
and Public Concern at Work Making whistleblowing work

You should read this leaflet if you are a manager in:

- a local authority
- NHS Scotland
- a department of the Scottish Executive
- a police or fire board
- a further education college
- an executive agency
- a non-departmental public body



Why you should read this leaflet

Fraud and corruption exists in Scotland's public sector and it:

- costs the taxpayer millions of pounds each year
- damages public confidence when rumours 'grow legs'
- demoralises the workforce who are subjected to unfair criticism.

All public sector organisations are at risk of some fraudulent or corrupt activity. As a manager, it is likely that you will have to deal with cases of or concerns about fraud, corruption or other wrongdoing.

The Public Interest Disclosure Act helps. It creates a practical framework for whistleblowing and provides strong protection for genuine bona fide whistleblowers. By helping you provide a safe alternative to silence, the Act will help you and your organisation tackle fraud and demonstrate your commitment to good governance.



Your role and responsibility

Your organisation should have:

- formal policies and procedures in place to respond to suspected fraud; and
- a whistleblowing policy which complies with the Public Interest Disclosure Act.

You should be familiar with these documents. Your fraud response plan should contain guidance on how to react to suspected fraud and corruption and it should detail procedural steps to be taken when investigating suspected fraud. Your whistleblowing policy should tell staff how to raise concerns about fraud or other wrongdoing and should explain how you respond to an employee who raises a concern about wrongdoing. It should assure staff that any victimisation of genuine whistle blowers will not be tolerated. As a manager, you should ensure that **all** your staff know how to raise a whistleblowing concern.

If you need to know more about setting up, reviewing or promoting your whistleblowing policy, contact **Public Concern at Work** on 0141 883 6761 or at scot@pcaw.co.uk or visit www.whistleblowing.org.uk nationally.

Getting it right

Here are some common sense rules that can be applied in all cases:

- **do be open to staff concerns**
Your organisation needs to encourage staff to voice any genuine concerns. You should reassure staff that if they raise concerns with you, they will be protected from victimisation or reprisal.
If someone wishes to discuss a concern in confidence you should respect it, but tell them that there may be circumstances (for instance, where their evidence is needed in court) where the matter cannot be resolved unless their identity is revealed.
- **do note details**
Get as much information as possible from the employee. If he or she has made notes, ask for a copy of these. In addition, note any documentary evidence that may exist to support the concern, but do not interfere with this evidence in any way.
- **do evaluate the information objectively**
Before you take the matter further, you need to determine whether any suspicions appear justified. Be objective when evaluating it. Consider the facts as they appear, based on the information you have to hand.
- **do advise the appropriate officer**
Your organisation's whistleblowing and fraud response plans will detail who is responsible for handling whistleblowers and for investigating cases of suspected fraud or misconduct. You should liaise with them or alternatively, contact the Director of Finance, the Head of Human Resources, or your organisation's Internal Audit Service.
- **do deal with the matter promptly**
The sooner the problem is detected the sooner the damage caused can be repaired.

Don't

- **don't ignore or ridicule concerns raised by staff**
Your organisation cannot operate an effective anti-fraud environment if employees are reluctant to pass on their concerns to the management. One reason people are reluctant to raise concerns is fear of ridicule or recrimination. As their manager you should reassure them that they will not suffer reprisal if they have genuine concerns, and that victimisation for whistleblowing will not be tolerated.
- **don't approach or accuse any individuals directly**
If the concern seems credible, don't accidentally tip-off a fraudster in case incriminating evidence could be destroyed.
- **don't convey the concern to anyone other than someone with the proper authority**
Your organisation should have appointed and trained designated individuals able to deal with and guide you on whistleblowing matters.
- **don't try to investigate the matter yourself**
If the concern seems credible don't rush into investigating the matter yourself. Pass it on or discuss it as soon as possible with the officer or body who has been given that responsibility.

Whistleblowing protection



If someone with a concern wants further advice, you can refer them to:

- your whistleblowing policy
- Audit Scotland's companion leaflet *'What should you do if you suspect fraud or corruption'*, or
- Public Concern at Work's confidential legal helpline on 020 7404 6609.

You should be familiar with these documents. Your fraud response plan should contain guidance on how to react to suspected fraud and corruption and it should detail procedural steps to be taken when investigating suspected fraud.

The Public Interest Disclosure Act protects your staff against reprisal when they raise a genuine concern internally or under your whistleblowing policy, or seek advice from Public Concern at Work or another lawyer.

It also protects most disclosures which your staff make to **Audit Scotland** about fraud or corruption within the health service, a local authority, or other public body. Audit Scotland's telephone number is 0131 477 1234.

Investigating suspected fraud

Internal audit are normally the appropriate people to investigate cases of suspected fraud.

- Fraud and corruption investigations must be well managed and carried out by knowledgeable and experienced staff in order to result in the right outcome.
- There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may adversely affect the outcome of the case.
- Internal audit staff are trained in handling fraud and corruption investigations, and are generally the appropriate people to conduct any further investigative work.
- Remember that a poorly directed investigation may prematurely alert the suspect and result in the destruction of evidence.
- Your primary responsibility is to report the issue and all associated facts promptly and accurately to an appropriate officer. You should then be prepared to co-operate as instructed in any subsequent investigation.
- You should not attempt to investigate the matter further yourself.

Don't delay

If you do not provide a safe alternative to silence for your employees:

- the chances are you will miss an opportunity to deal with a problem before it becomes a crisis.
- they may be protected if they then make a public disclosure rather than raise the concern inside your organisation.
- your organisation's ability to control the unfolding situation will be compromised.
- your own conduct will become an issue.
- the reputation and standing of your organisation will fall in the public's perception.
- adverse comment could result in greater compliance and regulatory requirements, making your job even more difficult and demanding.

About us

AUDIT SCOTLAND

Audit Scotland is a statutory body which provides services to both the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Executive and the public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

PUBLIC CONCERN AT WORK

Public Concern at Work is the leading authority on whistleblowing. Established in 1993, it provides confidential advice to employees, employers and governments. For more information about the charity's work in Scotland, call its Glasgow office on 0141 883 6761.