



GOVERNANCE COMMITTEE

TUESDAY, 28 APRIL 2015

1.00 PM COMMITTEE ROOM, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier (Chair)
Councillors David Elkin, Philip Howson, David Tutt and Trevor Webb

A G E N D A

- 1 Minutes of the meeting held on 10 March 2015 (*Pages 3 - 4*)
- 2 Apologies for absence
- 3 Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 External Audit Plan for East Sussex Pension Fund 2014/15 (*Pages 5 - 30*)
- 6 Anti Fraud and Corruption Strategy, Whistleblowing Policy, Employee Code of Conduct and Conflict of Interest Policy and Anti-Money Laundering Policy (*Pages 31 - 82*)
- 7 Appointments to Committees. Sub-Committees, Panels and other bodies (*Pages 83 - 86*)
- 8 Amendments to Constitution - disciplinary process for senior officers (*Pages 87 - 90*)
- 9 Amendments to Constitution - statutory duties and powers of the post of Director of Public Health (*Pages 91 - 94*)
- 10 Amendment to Constitution - scheme of delegation (*Pages 95 - 96*)
- 11 Appointments to Pension Board (*Pages 97 - 98*)
- 12 Any other non exempt items previously notified under item 4

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20 April 2015

GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at County Hall, Lewes, on 10 March 2015.

PRESENT Councillor Glazier (Chair)
 Councillors Elkin, Field and Webb

43. MINUTES OF LAST MEETING

43.1 RESOLVED – that the minutes of the last meeting held on 27 January 2015 be approved as a correct record.

44. APOLOGIES FOR ABSENCE

44.1 Apologies for absence were received from Councillors Howson and Councillor Tutt. It was noted that Councillor Field was substituting for Councillor Tutt.

45. REPORTS

45.1 Copies of the reports referred to below are included in the minute book.

46. LOCAL GOVERNMENT PENSION SCHEME – NEW GOVERNANCE ARRANGEMENTS

46.1 The Committee considered a report by the Chief Operating Officer regarding the new arrangements for the administration of the Local Government Pension Scheme in East Sussex.

46.2 The Committee RESOLVED to recommend the County Council to:

(1) agree the Pension Board's revised constitution and terms of reference (Appendix 1 of the report);

(2) agree the changes to the appointment of scheme member representatives on the Board;

(3) establish the Pension Committee and agree its Terms of Reference (Appendix 2 of the report); and

(4) agree changes to the Terms of Reference of the Governance Committee that relate to the LGPS (paragraph 6.1d and Appendix 3 of the report).

47. PAY POLICY STATEMENT 2015/16

47.1 The Committee considered a report by the Chief Operating Officer regarding the pay policy statement for 2015/16.

47.2 The Committee RESOLVED to recommend the County Council to agree the updated pay policy statement for 2015/16.

48. LMG MANAGERS' PAY 2015/16

48.1 The Committee considered a report by the Chief Operating Officer regarding the LMG pay award for 2015/16.

48.2 The Committee RESOLVED to agree the pay award for LMG Managers for the financial year 2015/16 as being 1.19% in line with the recent national NJC award

49. CHIEF EXECUTIVE AND CHIEF OFFICERS' PAY 2015/16

49.1 The Committee considered a report by the Assistant Director, Personnel and Training regarding the pay offer for the Chief Executive, Chief Officers and Deputies for 2015/16.

49.2 The Committee RESOLVED to determine the pay offer for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2015/16 as being 1.19% in line with the recent national NJC award

Report to: **Governance Committee**

Date: **28 April 2015**

By: **Chief Operating Officer**

Title of report: **External Audit Plan for East Sussex Pension Fund 2014/15**

Purpose of report: **To inform the Committee of the content of the Pension Fund external audit plan for 2014/15**

RECOMMENDATIONS

The Committee is recommended to approve the External Audit Plan for the East Sussex Pension Fund for 2014/15.

1. Background

1.1 The Plan confirms the core external audit fee as £26,607. This is unchanged from the 2013/14 fee. The fee is based on a number of assumptions, including the Council providing the auditors with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. The audit fee is charged to the Pension Fund and not to the Council itself.

2. Supporting Information

2.1 The attached Pension Fund external audit plan set out in more detail the work the external auditors will conduct in order to audit the Pension Fund's 2014/15 accounts. The Plan now reflects any relevant issues that have arisen as a result of the audit of the 2013/14 Pension Fund accounts and other work carried out by KPMG.

2.2 KPMG initial assessment has not identified any significant risks that are specific to the Pension Fund. Areas of audit focus either due to their size, level of judgement or their influence on other balances within the financial statements are:

- LGPS reform and corresponding accounting treatment
- Management override of controls

3. Conclusion and reasons for recommendations

3.1 KPMG overall audit approach remains similar to last year with no fundamental changes. Officers will continue to liaise with KPMG to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The External Audit Plan was considered by Audit, Best Value and Community Services Scrutiny Committee at its meeting on 17 March 2015.

KEVIN FOSTER
Chief Operating Officer

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Local Member(s): All
Background Documents
None



cutting through complexity

External Audit Plan 2014/15

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East Sussex County Council Pension Fund

March 2015

Appendix A

The contacts at KPMG in connection with this report are:

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Report Sections	Page	Appendices	Page
■ Introduction	2	1. Independence and objectivity requirements	15
■ Headlines	3	2. Quality assurance and technical capacity	16
■ Our audit approach	4	3. Assessment of Fraud Risk	18
■ Key audit risks	10	4. Transfer of Audit Commissions functions	19
■ Audit team, deliverables, timeline and fees	11		

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.audit-commission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 1st Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.

**This document describes
how we will deliver our audit
work for East Sussex County
Council Pension Fund.**

Scope of this report

This document supplements our *Audit Fee Letter 2014/15* presented to you on April 29 2014. It describes how we will deliver our financial statements audit work for East Sussex County Council Pension Fund ('the Pension Fund').

We are required to satisfy ourselves that your accounts comply with statutory requirements and that proper practices have been observed in compiling them. We use a risk based audit approach.

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary

Statutory responsibilities

Our statutory responsibilities and powers are set out in the *Audit Commission Act 1998* and the Audit Commission's *Code of Audit Practice*.

The Audit Commission will close at 31 March 2015. However, our audit responsibilities under the *Audit Commission Act 1998* and the *Code of Audit Practice* in respect of the 2014/15 financial year remain unchanged.

The *Code of Audit Practice* summarises our responsibilities, requiring us to audit/review and report on your financial statements, providing an opinion on your accounts.

The Audit Commission's *Statement of Responsibilities of Auditors and Audited Bodies* sets out the respective responsibilities of the auditor and the Authority.

The Audit Commission will cease to exist on 31 March 2015. Details of the new arrangements are set out in Appendix 4. The Authority can expect further communication from the Audit Commission and its successor bodies as the new arrangements are established. This plan restricts itself to reference to the existing arrangements.

Structure of this report

This report is structured as follows:

- Section 2 includes our headline messages, including any key risks identified this year for the financial statements audit.
- Section 3 describes the approach we take for the audit of the financial statements.
- Section 4 provides information on the audit team, our proposed deliverables, the timescales and fees for our work.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

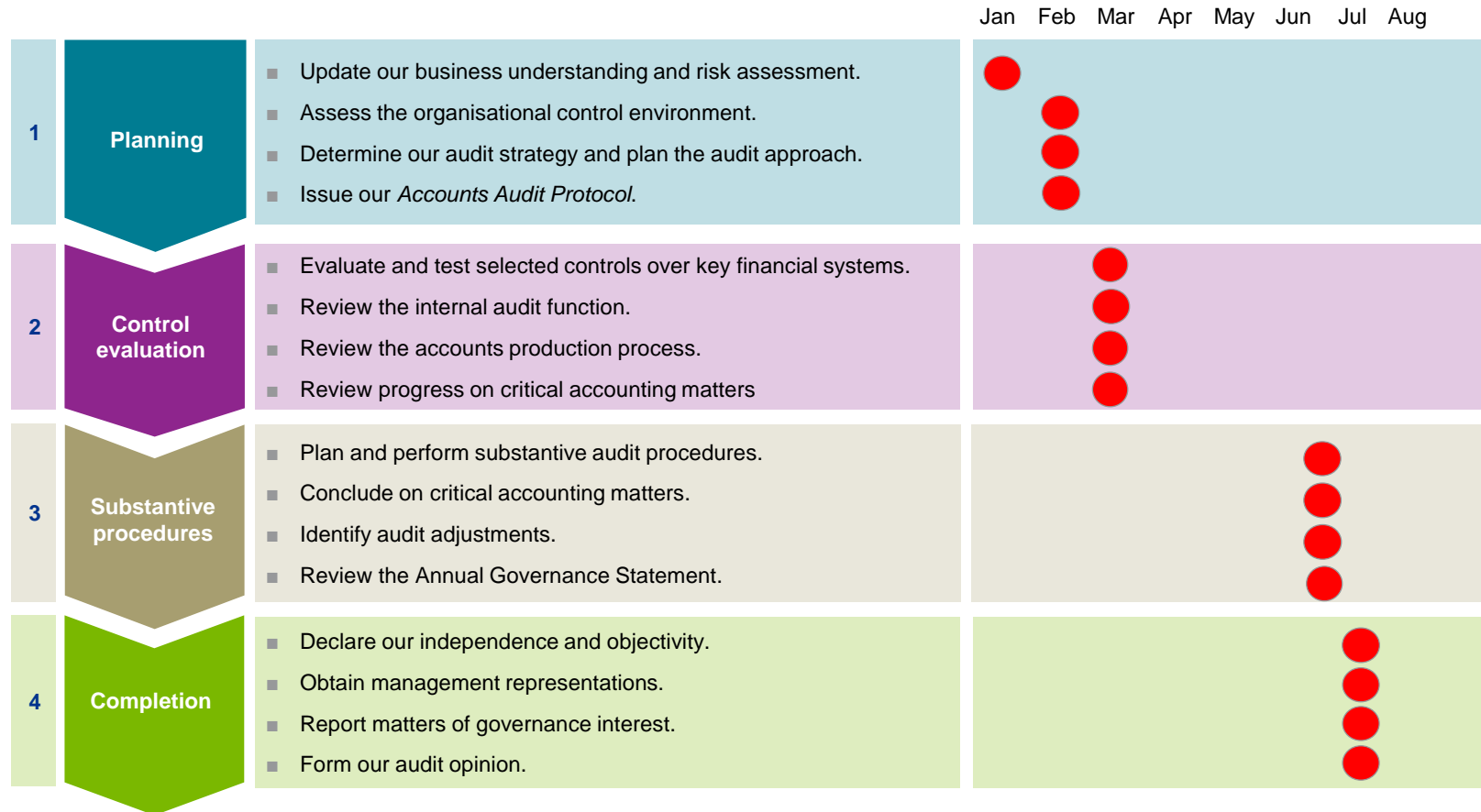
<p>Audit approach</p>	<p>Our overall audit approach remains similar to last year with no fundamental changes. Our work is carried out in four stages and the timings for these, and specifically our on site work, have been agreed with Marion Kelly, Chief Finance Officer and her team.</p> <p>Our audit strategy and plan remain flexible as risks and issues change throughout the year. We will review the initial assessments presented in this document throughout the year and should any new risks emerge we will evaluate these and respond accordingly.</p>
<p>Key financial statements audit risks for the Pension Fund</p>	<p>Our initial risk assessment for the Pension Fund's financial statements audit has identified the following additional significant risk:</p> <ul style="list-style-type: none"> ■ LGPS reform and corresponding accounting treatment <p>We have described this in more detail on page 10. We will assess the Pension Fund's progress in addressing these risk areas as part of our interim work and conclude this work at year end.</p>
<p>Audit team, deliverables, timeline and fees</p>	<p>We have refreshed our audit team this year with Philip Johnstone replacing Tamas Wood as the Engagement Director and Charlotte Goodrich replacing Grant Slessor as the Engagement Manager. Scott Walker will continue as the Assistant Manager for the audit. The same engagement team also undertake the audit of the Authority.</p> <p>Our main year end audit is currently planned to commence on 8 June 2015. Upon conclusion of our work we will present our findings to you in our <i>Report to Those Charged with Governance (ISA 260 Report)</i>.</p> <p>The planned fee for the 2014/15 audit £26,607 for the Pension Fund financial statements. This is unchanged from the position set out in our <i>Audit Fee Letter 2014-15</i>.</p>

We undertake our work on your financial statements in four key stages during 2015:

- **Planning** (February to March).
- **Control Evaluation** (March).
- **Substantive Procedures** (June to July).
- **Completion** (July).

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We have summarised the four key stages of our financial statements audit process for you below.



During February and March 2015 we complete our planning work.

We assess the key risks affecting the Fund’s financial statements and discuss these with officers.

We assess if there are any weaknesses in respect of central processes that would impact on our audit.

Our planning work takes place in February and March 2015. This involves the following aspects:

Planning

- Update our business understanding and risk assessment including fraud risk.
- Assess the organisational control environment.
- Determine our audit strategy and plan the audit approach.
- Issue our *Accounts Audit Protocol*.

Business understanding and risk assessment

We update our understanding of the fund’s operations and identify any areas that will require particular attention during our audit of the fund’s financial statements.

We identify the key risks including risk of fraud affecting the Pension Fund’s financial statements. These are based on our knowledge of the Fund, our sector experience and our ongoing dialogue with fund staff. Any risks identified to date through our risk assessment process are set out in this document. Our audit strategy and plan will, however, remain flexible as the risks and issues change throughout the year. It is the Fund’s responsibility to adequately address these issues. We encourage the Fund to raise any technical issues with us as early as possible so that we can agree the accounting treatment in advance of the audit visit.

We liaise regularly with the finance team to consider issues and how they are addressed during the financial year end closedown and accounts preparation.

Organisational control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would impact on our audit.

In particular risk management, internal control and ethics and conduct have implications for our financial statements audit. The scope of the relevant work of your internal auditors also informs our risk assessment.

Audit strategy and approach to materiality

Our audit is performed in accordance with International Standards on Auditing (ISAs) (UK and Ireland). The Engagement Lead sets the overall direction of the audit and decides the nature and extent of audit activities. We design audit procedures in response to the risk that the financial statements are materially misstated. The materiality level is a matter of professional judgement and is set by the Engagement Lead.

In accordance with ISA 320 (UK&I) ‘*Audit materiality*’, we plan and perform our audit to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. Information is considered material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Further details on assessment of materiality is set out on page 6 of this document.

When we determine our audit strategy we set a monetary materiality level for planning purposes.

For 2014/15 we have set this at £49 million for the Pension Fund based on the prior year financial statements.

We will report all audit differences over £2.5 million for the Pension Fund to the Scrutiny Committee for Audit, Best Value and Community Services.

Materiality

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.



Materiality for planning purposes has been set at £49 million, which equates to approximately 2 percent of gross expenditure.

We design our procedures to detect errors in specific accounts at a lower level of precision.

Reporting to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) '*Communication with those charged with governance*', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 (UK&I), '*Evaluation of misstatements identified during the audit*', requires us to request that uncorrected misstatements are corrected.

In the context of the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £2.5 million.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

During March 2015 we will complete our interim audit work.

We work with your finance team and the pensions team to enhance the efficiency of the accounts audit.

We will report any significant findings arising from our work to the Scrutiny Committee for Audit, Best Value and Community Services.

Our on site interim visit will be completed during March. During this time we will complete work in the following areas:

Control Evaluation

- Evaluate and test controls as appropriate over key financial systems identified as part of our risk assessment.
- Review the work undertaken by the internal audit function on controls relevant to our risk assessment.
- Review the accounts production process.
- Review progress on critical accounting matters.

Controls over key financial systems

We update our understanding of the Fund's key financial processes where our risk assessment has identified that these are relevant to our final accounts audit and where we have determined that this is the most efficient audit approach to take. We confirm our understanding by completing walkthroughs for these systems. We then test selected controls that address key risks within these systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Review of internal audit

During our audit we will seek to place reliance on the Fund's high level controls, and as part of our assessment of the overall control environment we will review and discuss the work carried out by Internal Audit.

Where any internal audit findings suggest weaknesses in key controls that could impact on significant account balances, we will adjust our approach to reflect these findings and where necessary perform additional testing to ensure that we can gain sufficient, appropriate audit evidence over those significant associated balances. We don't plan to rely directly on the work of Internal Audit.

Critical accounting matters

We will discuss the work completed to address the specific risks we identified at the planning stage. Wherever possible, we seek to review relevant workings and evidence and agree the accounting treatment as part of our interim work.

If there are any significant findings arising from our interim work we will report these to the Authority in advance of the year end financial statements audits of the Pension Fund.

During June and July 2015 we will be on site for our substantive work. We will conduct our work on the Authority at the same time.

We complete detailed testing of accounts and disclosures and conclude on critical accounting matters, such as specific risk areas. We then agree any audit adjustments required to the financial statements.

We will present our ISA 260 Report for the Pension Fund to the Scrutiny Committee for Audit, Best Value and Community Services in September 2015.

Our final accounts visit on site has been provisionally scheduled for June and July for the Pension Fund. During this time, we will complete the following work:

Substantive Procedures

- Plan and perform substantive audit procedures over the significant balances contained within the Pension Fund financial statements.
- Conclude on critical accounting matters.
- Identify and assess any audit adjustments.

Substantive audit procedures

We complete detailed testing on significant balances and disclosures. The extent of our work is determined by the Engagement Lead based on various factors such as our overall assessment of the Fund's control environment, the effectiveness of controls over individual systems and the management of specific risk factors.

Critical accounting matters

We conclude our testing of key risk areas identified at the planning stage and any additional issues that may have emerged since.

We will discuss our early findings of the Fund's approach to address the key risk areas with Marion Kelly, Chief Finance Officer, and her team in July 2015, prior to reporting to the Scrutiny Committee for Audit, Best Value and Community Services.

Audit adjustments

During our on site work, we will meet with Ola Owolabi, Head of Accounts and Pensions on a weekly basis to discuss the progress of the audit, any differences found and any other issues emerging.

At the end of our on site work, we will hold a closure meeting, where we will provide a schedule of audit differences and agree a timetable for the completion stage and the accounts sign off.

To comply with auditing standards, we are required to report uncorrected audit differences to the Scrutiny Committee for Audit, Best Value and Community Services. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Pension Fund Annual Report

We also issue an opinion on the consistency of the Pension Fund's accounts included in the *Pension Fund Annual Report* with those included in the Statement of Accounts. We intend to issue this opinion at the same time as our opinion on the accounts.

We will communicate with you throughout the year, both formally and informally.

Independence and objectivity confirmation

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Governance Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 *Integrity, Objectivity and Independence* requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Appendix 1 provides further detail on auditors' responsibilities regarding independence and objectivity.

Confirmation statement

We confirm that as of February 2015 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with Chief Finance Officer, the Head of Accounts and Pensions and the Scrutiny Committee for Audit, Best Value and Community Services. Our deliverables are included on page 12.

In this section we set out our assessment of the significant risks to the audit of the Pension Fund's financial statements for 2014/15.

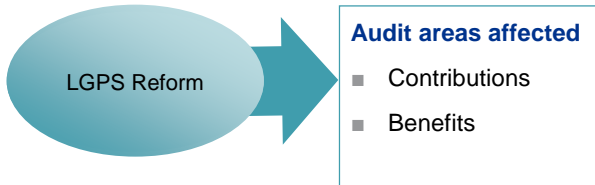
For each key risk area we have outlined the impact on our audit plan.

As for the Fund's financial statements, professional standards require us to consider two standard risks for all Pension Funds. As before, these are:

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for pension funds as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The table below sets out the significant risks we have identified through our planning work that are specific to the audit of the Pension Fund's financial statements for 2014/15.

We will revisit our assessment throughout the year and should any additional risks present themselves we will adjust our audit strategy as necessary.

Key audit risks	Impact on audit
	<p>The risk From 1 April 2014, all members of the LGPS have automatically joined the new career average defined benefit scheme. The new scheme provides more flexibility on when members can take their pension and also how much they pay in. There is a risk that pension administration systems have not been set up to correctly reflect the changes resulting from LGPS 2014 and will therefore not accurately calculate the pension benefits due to members. While any errors in the system are unlikely to result in material misstatements in 14/15, the possible cumulative effect in future years means that specific audit work is needed on ensuring that the changes required to the system have been accurately reflected.</p> <p>Our audit work We will review the controls and processes that the Pension Fund have put in place to accurately capture the data required by LGPS 2014. Our work will also focus on testing that the system has been set up to accurately calculate future benefit entitlement.</p>

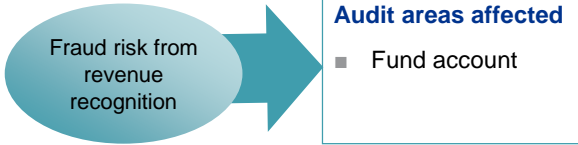

In this section we set out our assessment of the significant risks to the audit of the Pension Fund's financial statements for 2014/15.

For each key risk area we have outlined the impact on our audit plan.

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Significant risks that ISAs require us to raise	Impact on audit
	<p>The risk</p> <p>ISA 240 requires us to communicate the fraud risk from management override of controls as significant, because management is typically in a unique position to perpetrate fraud due to their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit.</p> <p>Our proposed audit work</p> <p>Our audit methodology incorporates the risk of management override as a default significant risk.</p> <p>In line with our methodology, we will carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.</p>

This section sets out the significant risks that ISA's require us to raise for the Authority.

Significant risks that ISAs require us to raise	Impact on audit
	<p>The risk</p> <p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p> <p>Our proposed audit work</p> <p>We do not consider this to be a significant risk for local authority pension funds as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.</p>
	<p>The risk</p> <p>ISA 240 requires us to communicate the fraud risk from management override of controls as significant, because management is typically in a unique position to perpetrate fraud due to their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit.</p> <p>Our proposed audit work</p> <p>Our audit methodology incorporates the risk of management override as a default significant risk.</p> <p>In line with our methodology, we will carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.</p>

Your audit team has been drawn from our specialist public sector assurance department. Contact details are shown on page 1.

The audit team will be assisted by other KPMG specialists as necessary.

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Philip Johnstone
Director

“My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.

I will be the main point of contact for the Pensions and the Scrutiny Committee for Audit, Best Value and Community Services and Executive Directors.”



Charlotte Goodrich
Manager

“I am responsible for the management, review and delivery of the whole audit and providing quality assurance for any technical accounting areas. I will work closely with Philip to ensure we add value. I will liaise with Marion Kelly Chief Finance Officer and Ola Owolabi, Head of Accounts and Pensions.”



Scott Walker
Assistant Manager

“I will be responsible for the on-site delivery of our work. I will liaise with the Finance and Internal Audit Teams. I will also supervise the work of our audit assistants.”

At the end of each stage of our audit we issue certain deliverables, including reports, statements and opinions.

Our key deliverables will be delivered to a high standard and on time.

We will discuss and agree each report as appropriate with the Fund's officers prior to publication.

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Deliverable	Purpose	Committee dates
Planning		
External Audit Plan	<ul style="list-style-type: none"> ■ Outlines our audit approach. ■ Identifies areas of audit focus and planned procedures. 	March 2015
Control evaluation and Substantive procedures		
Report to Those Charged with Governance (ISA 260 Report) – Pension Fund	<ul style="list-style-type: none"> ■ Details the resolution of key audit issues. ■ Communicates adjusted and unadjusted audit differences. ■ Highlights performance improvement recommendations identified during our audit. 	July 2015
Completion		
Auditor's Report	<ul style="list-style-type: none"> ■ Provides an opinion on the Pension Fund accounts 	July 2015
Pension Fund Annual Report	<ul style="list-style-type: none"> ■ We provide an opinion on the consistency of the Pension Fund annual report with the Pension Fund accounts 	July 2015
Annual Audit Letter	<ul style="list-style-type: none"> ■ Summarises the outcomes and the key issues arising from our audit work for the year. 	November 2015

We will be in continuous dialogue with you throughout the audit.

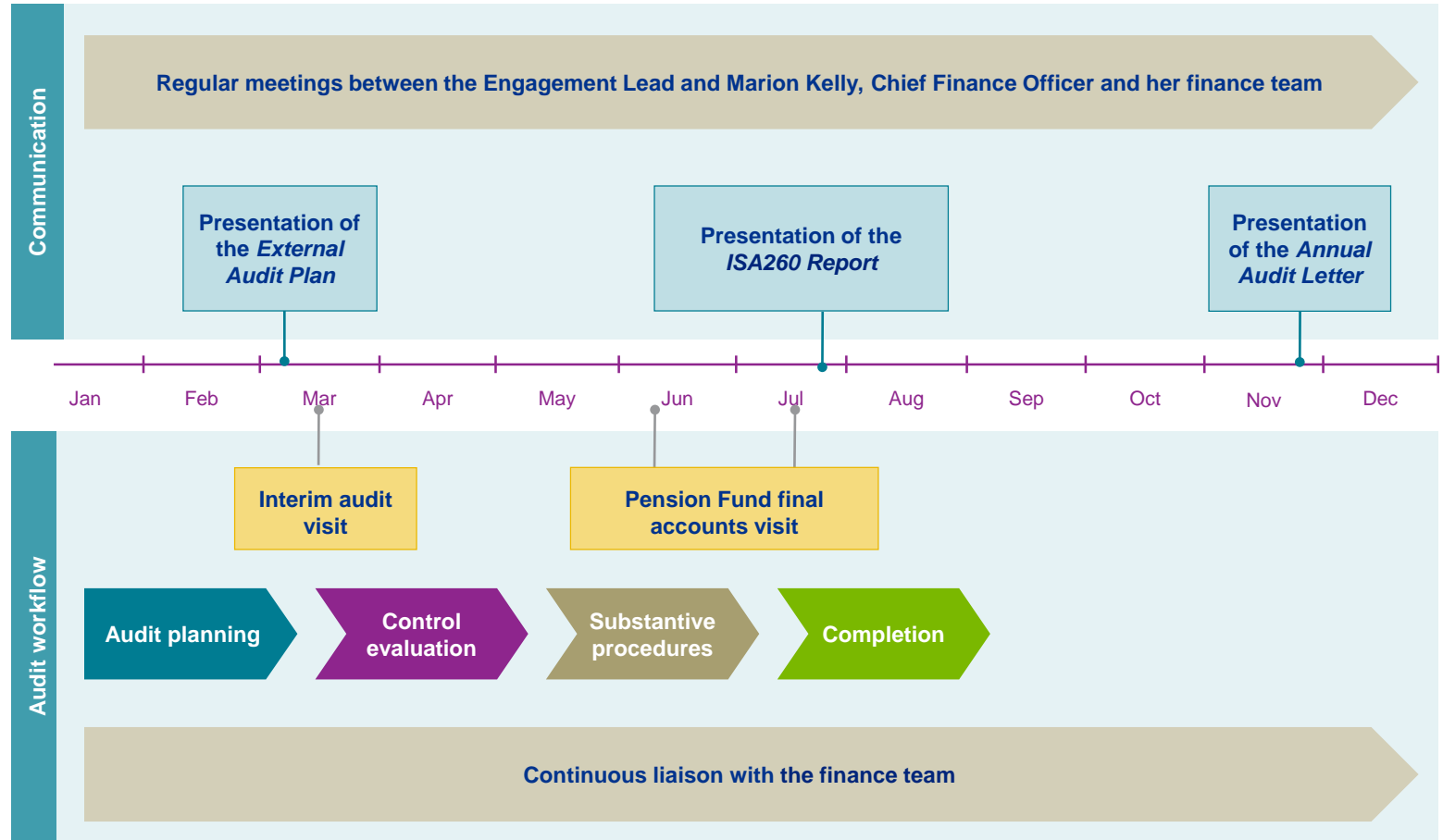
Key formal interactions with the Scrutiny Committee for Audit, Best Value and Community Services are:

- March – External Audit Plan;
- July – ISA 260 Report;
- November – Annual Audit Letter.

We work with the finance team throughout the year.

Our main work on site will be our:

- Interim audit visits during March.
- Final accounts audit during June and July for the Pension Fund.



Key: ● Audit Committee meetings.

The main fee for 2014/15 audit of the Pension Fund is £26,607. The fee has not changed from that set out in our *Audit Fee Letter 2014/15* issued in April 2014.

Our audit fee remains indicative and based on you meeting our expectations of your support.

Meeting these expectations will help the delivery of our audit within the proposed audit fee.

Audit fee

Our *Audit Fee Letter 2014/15* presented to you on April 29 2014 first set out our fees for the 2014/15 audit. We have not considered it necessary to make any changes to the agreed fees at this stage.

Element of the audit	2014/15 (planned)	2013/14 (actual)
Pension Fund audit fee	£26,607	£26,607

The fee for 2014/15 is £26,607. This is unchanged from the 2013/14 fee.

Audit fee assumptions

The fee is based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. In setting the fee, we have assumed:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2013/14;
- you will inform us of any significant developments impacting on our audit;
- you will identify and implement any changes required under the *CIPFA Code of Practice on Local Authority Accounting in the UK 2014/15* within your 2014/15 financial statements;
- you will comply with the expectations set out in our *Accounts Audit Protocol*, including:
 - the financial statements are made available for audit in line with the agreed timescales;
 - good quality working papers and records will be provided at the start of the final accounts audit;

- requested information will be provided within the agreed timescales;
- prompt responses will be provided to queries and draft reports;
- internal audit meets appropriate professional standards;
- internal audit adheres to our joint working protocol and completes appropriate work on all systems that provide material figures for the financial statements and we can place reliance on them for our audit; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Meeting these expectations will help ensure the delivery of our audit within the agreed audit fee.

The Audit Commission requires us to inform you of specific actions you could take to keep the audit fee low. Future audit fees can be kept to a minimum if the Authority achieves an efficient and well-controlled financial closedown and accounts production process which complies with good practice and appropriately addresses new accounting developments and risk areas.

Changes to the audit plan

Changes to this plan and the audit fee may be necessary if:

- new significant audit risks emerge;
- additional work is required of us by the Audit Commission or other regulators; and
- additional work is required as a result of changes in legislation, professional standards or financial reporting requirements.

If changes to this plan and the audit fee are required, we will discuss and agree these initially with Marion Kelly, Chief Finance Officer.

This appendix summarises auditors' responsibilities regarding independence and objectivity.

Independence and objectivity

Auditors are required by the Code to:

- carry out their work with independence and objectivity;
- exercise their professional judgement and act independently of both the Commission and the audited body;
- maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
- resist any improper attempt to influence their judgement in the conduct of the audit.

In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Authority invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under section 35 of the Audit Commission Act 1998.

The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of Commission-related work, and senior members of their audit teams should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Firms are expected to comply with the requirements of the Commission's protocols on provision of personal financial or tax advice to certain senior individuals at audited bodies, independence considerations in relation to procurement of services at audited bodies, and area wide internal audit work.
- Auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission.
- Auditors are expected to comply with the Commission's policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the Commission's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the standing guidance.

Appendix 2: KPMG Audit Quality Framework

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG.

The diagram summarises our approach and each level is expanded upon.

At KPMG we consider audit quality is not just about reaching the right opinion, but how we reach that opinion. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. It is about the processes, thought and integrity behind the audit report. This means, above all, being independent, compliant with our legal and professional requirements, and offering insight and impartial advice to you, our client.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG. We use our seven drivers of audit quality to articulate what audit quality means to KPMG.

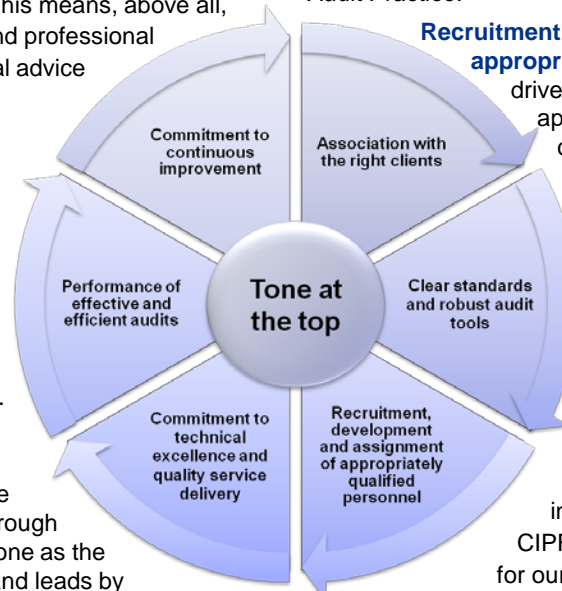
We believe it is important to be transparent about the processes that sit behind a KPMG audit report, so you can have absolute confidence in us and in the quality of our audit.

Tone at the top: We make it clear that audit quality is part of our culture and values and therefore non-negotiable. Tone at the top is the umbrella that covers all the drives of quality through a focused and consistent voice. Philip Johnstone as the Engagement Lead sets the tone on the audit and leads by example with a clearly articulated audit strategy and commits a significant proportion of his time throughout the audit directing and supporting the team.

Association with right clients: We undertake rigorous client and engagement acceptance and continuance procedures which are vital to the ability of KPMG to provide high-quality professional services to our clients.

Clear standards and robust audit tools: We expect our audit professionals to adhere to the clear standards we set and we provide a range of tools to support them in meeting these expectations. The global rollout of KPMG's eAudIT application has significantly enhanced existing audit functionality. eAudIT enables KPMG to deliver a highly

technically enabled audit. All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.



Recruitment, development and assignment of appropriately qualified personnel: One of the key drivers of audit quality is assigning professionals appropriate to the Authority's risks. We take great care to assign the right people to the right clients based on a number of factors including their skill set, capacity and relevant experience.

We have a well developed technical infrastructure across the firm that puts us in a strong position to deal with any emerging issues. This includes:

- A national public sector technical director who has responsibility for co-ordinating our response to emerging accounting issues, influencing accounting bodies (such as CIPFA) as well as acting as a sounding board for our auditors.
- A national technical network of public sector audit professionals is established that meets on a monthly basis and is chaired by our national technical director.
- All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.
- A dedicated Department of Professional Practice comprised of over 100 staff that provide support to our audit teams and deliver our web-based quarterly technical training.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

Quality must build on the foundations of well trained staff and a robust methodology.

Commitment to technical excellence and quality service delivery:

Our professionals bring you up- the-minute and accurate technical solutions and together with our specialists are capable of solving complex audit issues and delivering valued insights.

Our audit team draws upon specialist resources including Forensic, Corporate Finance, Transaction Services, Advisory, Taxation, Actuarial and IT. We promote technical excellence and quality service delivery through training and accreditation, developing business understanding and sector knowledge, investment in technical support, development of specialist networks and effective consultation processes.

Performance of effective and efficient audits: We understand that how an audit is conducted is as important as the final result. Our drivers of audit quality maximise the performance of the engagement team during the conduct of every audit. We expect our people to demonstrate certain key behaviors in the performance of effective and efficient audits. The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are outlined below:

- timely Engagement Lead and manager involvement;
- critical assessment of audit evidence;
- exercise of professional judgment and professional scepticism;
- ongoing mentoring and on the job coaching, supervision and review;
- appropriately supported and documented conclusions;
- if relevant, appropriate involvement of the Engagement Quality Control reviewer (EQC review);
- clear reporting of significant findings;
- insightful, open and honest two-way communication with those charged with governance; and
- client confidentiality, information security and data privacy.

Commitment to continuous improvement: We employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for improvement.

Our quality review results

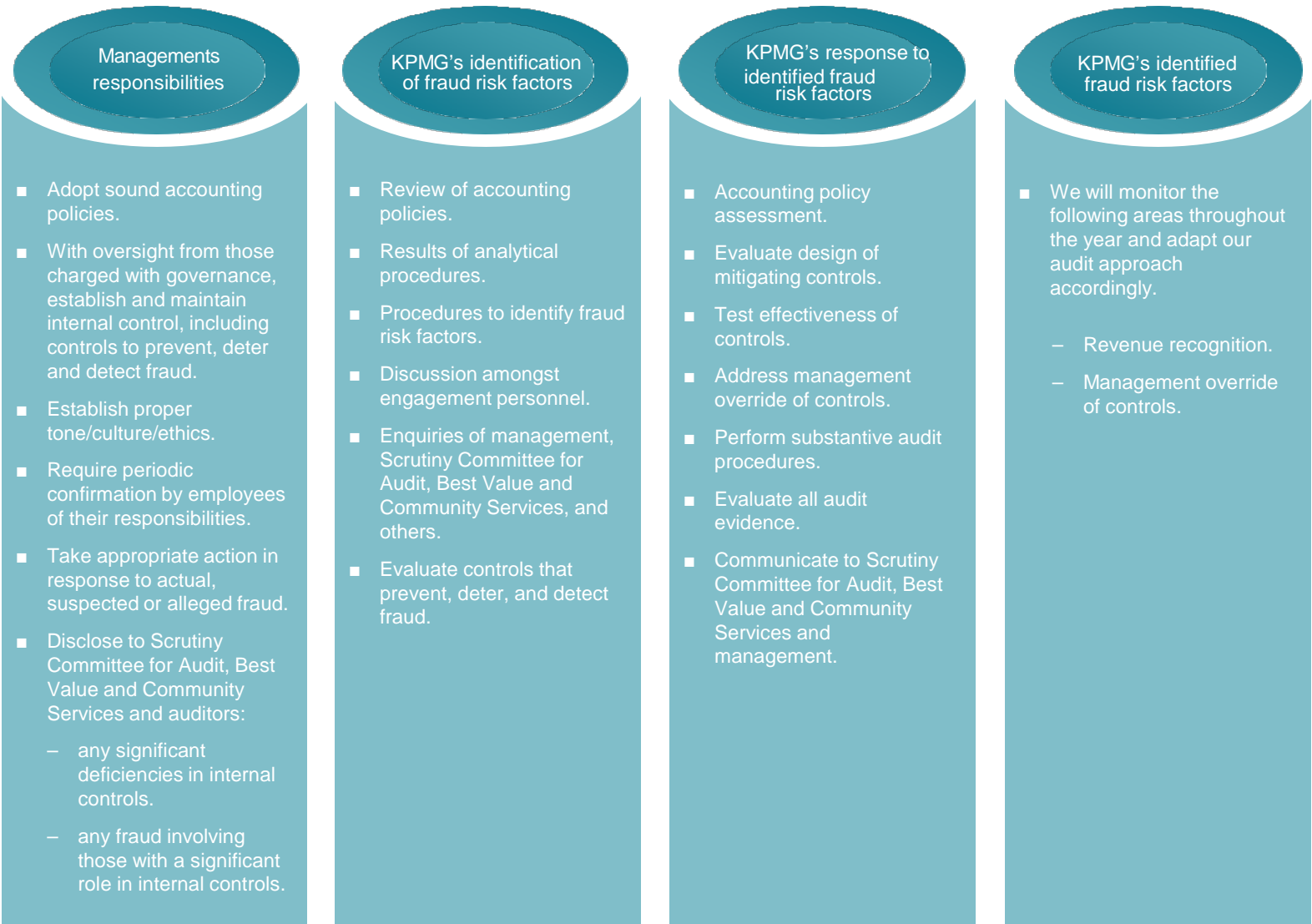
We are able to evidence the quality of our audits through the results of Audit Commission reviews. The Audit Commission publishes information on the quality of work provided by KPMG (and all other firms) for audits undertaken on behalf of them (<http://www.audit-commission.gov.uk/audit-regime/audit-quality-review-programme/principal-audits/kpmg-audit-quality>).

The latest Annual Regulatory Compliance and Quality Report (issued June 2014) showed that we are meeting the Audit Commission's overall audit quality and regularity compliance requirements.

We are required to consider fraud and the impact that this has on our audit approach.

We will update our risk assessment throughout the audit process and adapt our approach accordingly.

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The Audit Commission will be writing to audited bodies and other stakeholders in the coming months with more information about the transfer of the Commissions' regulatory and other functions.

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From 1 April 2015 a transitional body, Public Sector Audit Appointments Limited (PSAA), established by the Local Government Association (LGA) as an independent company, will oversee the Commission's audit contracts until they end in 2017 (or 2020 if extended by DCLG). PSAA's responsibilities will include setting fees, appointing auditors and monitoring the quality of auditors' work. The responsibility for making arrangements for publishing the Commission's value for money profiles tool will also transfer to PSAA.

From 1 April 2015, the Commission's other functions will transfer to new organisations:

- responsibility for publishing the statutory Code of Audit Practice and guidance for auditors will transfer to the National Audit Office (NAO) for audits of the accounts from 2015/16;
- the Commission's responsibilities for local value for money studies will also transfer to the NAO; and
- the National Fraud Initiative (NFI) will transfer to the Cabinet Office.



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Report to: **Governance Committee**

Date: **28 April 2015**

By: **Chief Operating Officer**

Title of report: **Anti-Fraud and Corruption Strategy, Whistleblowing Policy, Employee Code of Conduct and Conflict of Interest Policy and Anti-Money Laundering Policy**

Purpose of report: **To provide details of, and seek approval to, the main changes to the above policies.**

RECOMMENDATION – to agree the Council’s revised and updated Anti-Fraud and Corruption Strategy, Code of Conduct and Conflict of Interest Policy, Whistleblowing Policy and Anti-Money Laundering Policy, as set out in appendices A - D.

1. Background

1.1 As part of a programme of work to strengthen the County Council’s approach to anti-fraud and corruption, a review has recently been conducted of our Anti-Fraud and Corruption Strategy to ensure that it remains fit for purpose and consistent with best practice. At the same time, the opportunity was taken to update a number of other related policies, namely the employee Code of Conduct and Conflict of Interest Policy, the Whistleblowing Policy and the Anti-Money Laundering Policy.

2. Supporting information

2.1 This work has now been completed, with the updated policies recently endorsed by the Audit, Best Value and Community Services Scrutiny Committee, prior to being presented to this Committee for final approval. The updated strategy and policy documents are therefore attached to this report and set out below is a high level summary of the main changes to each, along with a brief rationale for making them.

2.2 Anti-Fraud and Corruption Strategy (Appendix A)

The headline changes are:

- clearer definition of how we will continue to identify and understand the fraud and misconduct risks that can undermine the Council’s overall business priorities;
- the strategy now reflects the very latest national guidelines, including ‘Protecting the Public Purse’ and ‘Fighting Fraud Locally’, specifically the principles of Acknowledge, Prevent, Detect and Respond;
- reflects a holistic approach to countering fraud, that factors in fraud and misconduct risk management fundamentals; and
- provides a framework for the Council that can be used to manage the risks of fraud and misconduct, with practices that have been found to be effective by other organisations.

The rationale for these changes is:

- no authority is immune from the risk of fraud or misconduct and the need to review and strengthen the Council’s anti-fraud and corruption arrangements was identified, having not been fundamentally updated for many years;
- fraud and misconduct remains a constant threat and a moveable feast. To be at its most effective, strategies and policies must keep pace with known current risks, new laws and regulations.

2.3 Code of Conduct and Conflict of Interest (Appendix B)

The headline changes are:

- more detail provided in some of the areas of the policy, adding clarity and closing some potential loopholes;

- draws out the risks around 'external perceptions', specifically in relation to hospitality;
- strengthened the 'you should not accept Gifts' message and clarified the language;
- emphasises the requirement to communicate to outside parties that the offering of gifts and inappropriate hospitality is unacceptable and should not be repeated;
- enhances the section on use of council equipment, materials and property, specifically with the 'agile' programme in mind.

The rationale for these changes is:

- lessons learned from specific occurrences within ESCC and other similar organisations;
- applying current best practice, having reviewed other county councils' standards.

2.4 In order to help reduce the administrative burden associated with managing high volumes of staff declarations, we are currently investigating the potential to fully automate this process using web based technology. Unfortunately, it is unlikely that any such system will be implemented before April 2015 and therefore, the guidance within the attached Code of Conduct continues to reflect the current paper based process. This will be amended and updated as soon as a suitable automated solution has been found and implemented.

2.5 Whistleblowing Policy – Raising Concerns (Appendix C)

The main changes are:

- the policy has been softened, making the language more approachable in order to encourage staff to raise any concerns they might have;
- removal of references to the specific legislative framework which governs Whistleblowing. Staff raising genuine concerns are unlikely to require an understanding of the legal context before raising them, and indeed may be daunted by such information;
- clarification over the channels through which an employee can raise a concern, both inside ESCC and externally. This presents a greater range of options than previously, in the event that the employee is not comfortable raising their concern with their direct line manager.

The rationale for these changes is:

- implementation of the recommended changes from Public Concern at Work, following their review of the Council's Whistleblowing Policy;
- the need to acknowledge and address the likelihood that the previously policy was as likely to deter as to encourage staff to raise concerns; and
- provision of a whistleblowing policy that incorporates current best practice and encourages, enables and reassures all employees to raise concerns about risk, malpractice and wrongdoing.

2.6 Anti-Money Laundering Policy (Appendix D)

The main changes are:

- updated reporting process of Suspicious Activity Reports (SAR's), in line with current requirements and recent legal training;
- fleshing out of some examples of the 'warning signs' which are intended to help and encourage employees to identify possible instances, relevant to Council business, of money laundering; and
- utilising current legislation, thinking and good practice to ensure the Council fulfils its obligations to report any concerns.

The rationale for these changes is:

- the need to ensure that the policy is fit for purpose and complies with current legislation and best practice.

3. **Conclusion and reasons for recommendation**

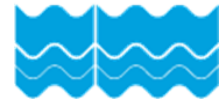
3.1 The Council continues to demonstrate a commitment to anti-fraud and corruption and the changes made to these documents seeks to strengthen its arrangements further, not through any fundamental shift in approach, but rather through building on and enhancing what we already have in place.

3.2 It is intended that these policies will clearly highlight the organisation's on-going anti-fraud and misconduct stance and its expectations and commitment to the highest standards of probity. Once approved, the policies will provide the basis for launching a corporate anti-fraud and corruption awareness programme, along with more detailed, targeted training for specific higher risk staff groups. This is currently being developed by Internal Audit in conjunction with colleagues from Personnel and Training and the Communications Team.

KEVIN FOSTER, BUSINESS SERVICES DEPARTMENT

Contact Officers: Russell Banks, Head of Assurance Tel No. 01273 481447

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Anti-Fraud and Corruption Strategy

Date: March 2015

Document summary

This document sets out the County Council's policy and strategy for preventing and detecting fraud, bribery and other wrongdoing.

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About this document:

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<p>Accessibility help</p> <p>Zoom in or out by holding down the Control key and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document Press Alt-left arrow to return to your previous location. References shown in blue text are available on the Intranet and/or Czone. References shown in <u>underlined blue text</u> are hyperlinks to other parts of this document.</p>	

Anti-Fraud and Corruption Strategy

Key points

- The Council is committed to preventing and detecting fraud and other wrongdoing to ensure public funds are used for their intended purpose.
- The Council is committed to the highest standard of probity and expects Members and staff, at all times to adhere to the Nolan principles (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership).
- The Council has clear procedures in place to assist in the fight against fraud, corruption and wrongdoing.
- This Strategy sets out the Council's four main objectives for tackling the risk from fraud and wrongdoing and applies equally to Members and staff.
- It is an expectation that where employees have work place concerns, or suspect wrongdoing that this is raised.
- A Whistleblowing Policy has been produced to support staff in raising workplace concerns.

1. Introduction

- 1.1 The Audit Commission reports that fraud currently costs local government in excess of £2 billion per year. In austere times the impact of public money being lost to fraud is felt the hardest by our communities. This makes the prevention and detection of fraud essential, to ensure that we protect the public purse so that funds used to provide the services for our community within East Sussex are only used for their intended purpose.
- 1.2 East Sussex County Council (the Council) is committed to fighting fraud, corruption, bribery and wrongdoing and this document sets out the Council's Anti- Fraud Strategy.
- 1.3 The Council is one of the largest organisations in the County - employing thousands of people, with a turnover of over £800 million a year and assets, interests and annual transactions running into £billions.
- 1.4 The Council is committed to the highest standards of probity in the delivery of its services, ensuring proper stewardship of its funds and assets. It has an important role to ensure that the harm and financial loss caused to local communities and local taxpayers as a result of fraud is minimised.
- 1.5 The Council expects and requires Members and staff to behave with integrity and all times to demonstrate a strong commitment to the ethical values of the council and respect the rule of law.

- 1.6 In carrying out its responsibilities to safeguard public funds the Council is committed to fighting fraud and corruption, whether the threat comes from outside or inside the Council, and is committed to an effective Anti-Fraud Strategy that focuses on four main objectives:
- **Acknowledge** – Acknowledge and understand the risk to the organisation from fraud and wrongdoing and develop and maintain a robust counter fraud response.
 - **Prevent** – establish policies, awareness programmes and controls, designed to reduce the risk of fraud and wrongdoing from occurring.
 - **Detect** – detect fraud and wrongdoing when it occurs.
 - **Respond** – take the appropriate corrective action, sanctions and recover any losses, to minimise the harm caused by integrity breakdowns.
- 1.7 This strategy supports the Council’s overall priority of ‘Making Best Use of Our Resources’ as set out in the Council Plan, by:
- Maximising the value from public finance ; and
 - Maximising resources focussed on front line services.
- 1.8 The Council is seeking to achieve this by:
- instilling an anti-fraud culture and taking a firm stance against fraud, corruption and wrongdoing;
 - actively preventing, deterring and detecting fraudulent and corrupt acts, including bribery;
 - providing a clear direction in relation to the roles and responsibilities of Council employees, management and councillors; and
 - Identifying a clear pathway for investigation and remedial action.

2. Definitions

- 2.1 This strategy also covers other irregularities or wrongdoing, for example failure to comply with Financial Regulations, Standing Orders, National and Local Codes of Conduct, Health and Safety Regulations and all other relevant laws and legislation that result in an avoidable loss to the Council.
- 2.2 **Fraud** - can be broadly described as, someone acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:
- Dishonestly making a false statement or representation;
 - Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose;
 - Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.
- 2.3 **Theft** - is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession.
- 2.4 **Obtaining Services Dishonestly** – is broadly where services which were to be paid for were obtained knowing or intending that no payment would be made.

- 2.5 **Bribery** – is the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages, whether monetary or otherwise.
- 2.6 **Corruption** – is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority. The Bribery Act 2010 repealed all Corruption Acts in whole and therefore, whilst corruption exists as a term, any offences committed would fall under the Bribery Act.

3. Culture

- 3.1 East Sussex County Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption. It is our aim to minimise fraud and corruption and to act robustly where it is identified.
- 3.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with integrity and that Members and staff, at all levels, will lead by example. The Council will not tolerate fraud, bribery or other wrongdoing in the provision of its services, regardless of the perpetrator, and is prepared to take robust action where this is identified.
- 3.3 The Nolan Committee defined the seven principles which set the standards in public life and these, along with the behaviours set out within the 'East Sussex Way', have been adopted by the Council to underpin its approach to corporate governance. The seven Nolan principles are:
- **Selflessness** – You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family or friends.
 - **Integrity** – You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
 - **Objectivity** – You must make choices on merit when making decisions on appointments, contracts, or recommending rewards and benefits for individuals.
 - **Accountability** – You are accountable for your decisions and actions to the public and you must submit yourself to whatever scrutiny is appropriate.
 - **Openness** – You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.
 - **Honesty** – You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in a way that protects the public interest.
 - **Leadership** – You should promote and support these principles by leadership and example.
- 3.4 The Council's employees are an important element in its stance on fraud, corruption and bribery and the organisation expects employees to come forward and voice any concerns that they may have by using our Whistleblowing Policy. This they can do, knowing that such concerns will be treated in confidence, properly investigated and fairly dealt with.

3.5 Additionally, allegations of fraud, corruption, bribery or wrongdoing can also be reported to the following individuals:

- Line Managers
- The Chief Executive, County Hall – 01273 481950
- The Assistant Chief Executive, County Hall – 01273 481564
- The Chief Operating Officer, County Hall – 01273 481412
- The Chief Finance Officer, Business Services, County Hall – 01273 335078
- The Head of Assurance, Business Services, County Hall – 01273 481447

3.6 Allegations relating to potential fraud, financial maladministration, conflicts of interest, breach of confidentiality, improper use of resources, ICT abuse and any other forms of financial irregularity will be reported to the Council's Internal Audit Service. Internal Audit will investigate any allegation made.

3.7 The Council's Whistleblowing Policy can also be used for raising concerns that relate to other serious concerns such as general maladministration, possible sexual or physical abuse of clients, health and safety risks and damage to the environment.

3.8 Members of the public are also encouraged to report concerns through any of the above routes or, if appropriate, through the Council's Complaints Procedure.

3.9 The Council's Whistleblowing Policy also makes it clear that whilst it hopes that concerns will be raised internally within the Council, if the employee still feels unable to raise their concerns internally they can be raised with outside bodies, listed in the policy.

4. The Council's strategic approach to tackling fraud

4.1 The Council takes the threat of fraud and bribery seriously and has allocated specific resource, to focus on coordinating its approach to protecting its assets and finances from fraud, bribery and wrongdoing.

4.2 Fraud by its very nature is secretive and conducted in such a manner that fraudulent actions are actively concealed. It is therefore vital that the Council has a strong anti-fraud culture and a robust anti-fraud programme.

4.3 The Council's strategic approach can be summarised as:

What we will do:	
Acknowledge	<ul style="list-style-type: none">• Acknowledge and understand fraud and misconduct risks;• Conduct and maintain a fraud and misconduct risk assessment for the Council;• Develop and maintain a strong framework of internal controls;• Commit support and resources to tackling fraud; and• Maintain a robust counter fraud response.

What we will do:	
Prevent	<ul style="list-style-type: none"> • Develop and maintain an effective and strong anti-fraud culture; • Implement a robust anti-fraud and misconduct programme; • Ensure that the standards in public life adopted are set out clearly in the Councils policies and effectively communicated; • Conduct employee and third-party due diligence; and • Regularly communicate with staff on countering fraud and provide fraud awareness training
Detect	<ul style="list-style-type: none"> • Maintain and promote our confidential reporting hotline; • Make better use of data and technology to prevent and detect fraud and wrongdoing; • Enhance fraud controls and processes; • Benchmark where possible, with other authorities; • Promote Whistleblowing; and • Regularly liaise with others to share knowledge and data of known fraud and to learn and share best practice on fraud risk and prevention.
Respond	<ul style="list-style-type: none"> • Develop and maintain internal investigation protocols and disclosure protocols; • Provide a consistent and effective response for dealing with fraud cases; • Develop capability and capacity to punish fraud and wrongdoing; • Collaborate across local authorities and with law enforcement; and • Ensure we have both the capability and capacity to investigate and prosecute fraud.

5. Acknowledge

- 5.1 The Council accepts that no authority is immune from the risk of fraud, bribery and wrongdoing. It seeks to use all available recourse to help to reduce the opportunity, motivation and justification for fraud, bribery and wrongdoing and to act robustly when it is identified.
- 5.2 A fraud and misconduct risk assessment will be conducted and maintained to help the Council understand the risks it faces from fraud, bribery and wrongdoing. The Council will also document the controls in place to mitigate these risks, identify gaps or weaknesses in the control mechanisms and develop a bespoke work programme to target and reduce the risks.
- 5.3 The Council will develop and maintain a strong framework of internal controls designed to prevent and detect irregularity, misconduct and fraud. The framework includes the following key elements:

- Code of Conduct and Conflict of Interest Policy;
- Whistleblowing Policy;
- Anti-money Laundering policy;
- Financial Regulations;
- Procurement Standing Orders.

5.4 Support and resources will be allocated to counter the risk from fraud, bribery and wrongdoing.

5.5 In maintaining a robust counter fraud response the Council will provide corporate and targeted anti-fraud and bribery training and awareness for all employees to assist them in identifying instances of possible fraud, bribery and wrongdoing and provide mechanisms to enable staff to report their concerns in a timely manner.

5.6 The Council will regularly review its approach to tackling fraud, keeping abreast of emerging risks and current trends which occur across the Council and nationally.

6. Prevent

6.1 The Council faces a variety of risks and threats and acknowledges that prevention is the best and most efficient way to tackle fraud, bribery and wrongdoing and to prevent / minimise losses.

6.2 The best defence against fraud, corruption, bribery and wrongdoing is to create and maintain a strong and robust anti-fraud culture within the Council. The Council will promote the standards of business conduct it expects and requires from all its employees (including contractors and councillors) as documented in the Council's Code of Conduct and Conflict of Interest Policy.

6.3 The Council will develop, maintain and communicate to its employees an anti-fraud programme, which ensures that they are aware of the key part they play in countering fraud and risk and are sufficiently trained.

6.4 Practical counter fraud and risk guidance will be developed and disseminated to staff which details risk identifiers and is based on lessons learned elsewhere and recognisable risk scenarios.

6.5 The Council also recognises that a key preventative measure to combat fraud and misconduct is to ensure that the appropriate due diligence is exercised in the hiring, retention and promotion of employees and relevant third parties. This applies to all staff whether, permanent, temporary, contracted or voluntary. Procedures will be followed in accordance with the Council's recruitment and selection toolkit. We will always undertake the appropriate pre-employment checks (for example: qualification verification and obtaining references) before any employment offer is confirmed.

6.6 Any system weakness identified as part of the work carried out by Internal Audit will be recorded, with controls recommended to minimise any system weaknesses and these will be agreed and monitored to ensure compliance as part of the audit process.

7. Detect

- 7.1 The array of preventative systems, particularly internal control systems within the Council, has been designed to prevent and deter fraud and provide indicators of any fraudulent activity.
- 7.2 Employees are the first line of defence against most acts of attempted fraud, corruption and bribery. The Council expects and requires staff to be alert to the risks and possibilities of fraudulent attempts and to raise any such concerns at the earliest opportunity.
- 7.3 Employees also have a duty to protect the assets of the Council, including information, as well as property. When they have a concern of this nature, they are expected and required to report it, as soon as possible in accordance with the Council's Whistleblowing Policy.
- 7.4 The Council's Whistleblowing Policy has been developed to provide a clear framework for reporting such concerns and this includes a dedicated confidential reporting hotline and e-mail address:
- Confidential Reporting Hotline: 01273 481995
 - E-mail: confidentialreporting@eastsussex.gov.uk
- 7.5 The Council does not tolerate the victimisation or harassment of anyone raising a genuine concern. Employees are expected to report concerns and are afforded protection from any harassment or discrimination by the Public Interest Disclosure Act. Any harassment or victimisation of a 'whistle-blower' will be treated as a serious disciplinary offence, which will be dealt with under the Councils Disciplinary Policy and Procedures.
- 7.6 Both locally and nationally, arrangements are in place and continue to be developed, to encourage the lawful exchange of information and collaborative working between the Council and other agencies, to assist in countering fraud, corruption, bribery and wrongdoing.
- 7.7 The Council will pro-actively seek to prevent, deter and detect fraud using all available resources and technology and will actively take part in joint exercises such as data matching to minimise the fraud risk and loss to public funds.
- 7.8 The Council will, where appropriate, seek to make the best use of publicity to prevent, deter and detect instances of fraud, corruption and bribery.

8. Respond

- 8.1 Fraud, corruption and malpractice will not be tolerated and where it is identified the County Council will deal with proven wrongdoings in the strongest possible terms, including:
- Disciplinary action;
 - Reporting to the Police;

- Seek maximum financial recovery of any losses on behalf of the tax payer, including use of civil legal action through the courts.
- 8.2 Where information relating to a potential or actual offence or wrongdoing is uncovered, a comprehensive and objective investigation will be conducted. Any investigation will take account of relevant policies and legislation.
- 8.3 The purpose of any investigation is to gather all available facts to enable an objective and credible assessment of the suspected violation and to enable a decision to be made as to a sound course of action.
- 8.4 In such instances, Internal Audit will work closely with management and where appropriate, other agencies such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon.
- 8.5 Referral to the Police on matters of alleged fraud or other financial irregularity is a matter for the Head of Assurance, in consultation with the Chief Finance Officer and the relevant Chief Officer. Any referral made to the Police, will not prohibit action under the Council's disciplinary procedure.
- 8.6 In cases of alleged theft, fraud, corruption or other irregularity involving staff, the Council may pursue the case through its disciplinary processes, even if the member of staff has resigned.

9. Conclusion

- 9.1 The Council sets and maintains high standards of conduct and behaviour within the organisation that adheres to the seven Nolan principles of standards in public life. This Strategy fully supports the Council's aim to make the best use of our resources.
- 9.2 The Council has in place a clear network of systems and procedures to assist it in the fight against fraud, corruption, bribery and other wrongdoing. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.



Code of Conduct and Conflict of Interest Policy

Date: February 2015

Document summary

This Code sets out the minimum standards of conduct that employees will be expected to observe when carrying out their duties. The Code is there to protect you in the event that your actions are subject to challenge.

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<p>Accessibility help</p> <p>Zoom in or out by holding down the Control key and turning the mouse wheel.</p> <p>CTRL and click on the table of contents to navigate.</p> <p>Press CTRL and Home key to return to the top of the document.</p> <p>Press Alt-left arrow to return to your previous location.</p> <p>References shown in blue text are available on the Intranet/Czone.</p> <p>References shown in underlined blue text are links to other areas of this document.</p>	

Code of Conduct and Conflict of Interest Policy

Key Points:

- This policy applies to all County Council employees, including schools based employees where the Governing Body has adopted the policy (subject to such other changes which may have been adopted by the Governing Body of the school). Throughout this policy, reference to the 'County Council' includes County Council-maintained schools.
- Words such as 'you' and 'your' throughout this policy refer to an employee of the County Council.
- The Code aims to ensure that confidence in the integrity of employees is maintained at all times.
- The Code forms part of your contract of employment and must be followed – breach of this code may be viewed as a serious disciplinary matter depending on the severity of the breach.
- The Code, where appropriate, must be read in conjunction with the [Anti-Fraud and Corruption Strategy](#), [Whistleblowing Policy](#), [Financial Regulations](#), [Procurement Standing Orders](#), the [Scheme of Delegations](#), and with any other more detailed County Council/Departmental operational instructions/guidelines.
- All potential conflicts of interest must be declared before the activity commences or the issue arises. If your circumstances change, it is your responsibility to immediately inform your manager and make a new declaration.
- All staff will be reminded of the need to declare potential conflicts of interest and required to complete an annual form.
- A separate code of conduct applies to Members ([Members' Code of Conduct](#)).
- For School Governors, a code of practice is available from the National Governors Association website.

1. Introduction

- 1.1. This Code should be considered alongside relevant guidance from professional bodies, such as the Health and Care Professions Council. In Schools, this includes the 'Code of Conduct for Employees Whose Work Brings Them into Contact with Young People'.
- 1.2. Please take time to read this Code, and make sure that you understand it. Although this Code cannot be exhaustive, its intention is to provide sufficient information to make you aware of what is required of you. Therefore, if you are unclear, or want to know something specific, please talk to your manager.
- 1.3. It is important that you understand that a breach of the Code could lead to disciplinary action, and even dismissal, depending on the severity of the breach (please refer to the [Disciplinary Policy and Procedure](#)). Ignorance of the guidelines in the Code will not be seen as a valid excuse.
- 1.4. All staff are required to complete the Declaration Form for all potential Conflicts of Interest ([Appendix 2](#)). You will be asked to review your declaration of interest form annually. However, if there is a change in your circumstances and a potential conflict arises, it is your responsibility to inform your manager as soon as possible so the conflict of interest can be considered.

- 1.5. Throughout this policy, where it is stated that Assistant Directors will determine whether a conflict of interest exists or whether a gift or offer of hospitality may be accepted, when the employee in question is an Assistant Director the determination will be made by the relevant Chief Officer and/or the Assistant Chief Executive. For Headteachers, the school's Governing Body should decide and a recommendation may be sought from the Director of Children's Services.

2. Standards

- 2.1. You are expected to give the highest possible standard of service to members of the public, observing the standards of conduct which the law, the Council's [Standing Orders and Financial Regulations](#), Conditions of Service, this Code and any School /Departmental rules require together with any relevant guidance from professional bodies.
- 2.2. The Council has adopted the Nolan Committee's seven principles, which set the standards in public life. In performing your duties, you must act in accordance with the seven Nolan principles, which are:
- Selflessness – You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family or friends.
 - Integrity – You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
 - Objectivity – You must make choices on merit when making decisions on appointments, contracts, or recommending rewards and benefits for individuals.
 - Accountability – You are accountable for your decisions and actions to the public and you must submit yourself to whatever scrutiny is appropriate.
 - Openness – You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.
 - Honesty – You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in a way that protects the public interest.
 - Leadership – You should promote and support these principles by leadership and example.
- 2.3. You are encouraged and expected, through agreed procedures and without fear of recrimination, to raise workplace concerns about risk, malpractice or wrongdoing in accordance with the County Council's [Whistleblowing Policy](#).
- 2.4. You must ensure that you use public funds entrusted to you in a responsible and lawful manner and in accordance with the County Council's Financial Regulations.
- 2.5. If requested to do so, you are expected to co-operate in any investigation being carried out by or on behalf of the County Council.

3. Political neutrality

- 3.1. Please note that Section 3 'Political Neutrality' is not applicable to employees on teachers' terms and conditions of employment.
- 3.2. You serve the County Council as a whole. It therefore, follows that you must serve all County Councillors and not just those of the majority group and you must ensure that the individual rights of all County Councillors are respected.

- 3.3. You must not be involved in advising any political group of the County Council or attend any of their meetings in an official capacity without the express consent of your Chief Officer. You must follow every lawful expressed policy of the County Council and must not allow your own personal or political opinions to interfere with your work.
- 3.3.1. Political Assistants appointed on fixed term contracts in accordance with the Local Government & Housing Act 1989 are exempt from these conditions.
- 3.4. As an employee of the County Council you are not eligible to stand for office as an elected member of the County Council. For County Council staff (with the exception of staff on Teachers' Terms and Conditions of Employment), some posts are politically restricted and employees are prohibited from political activity as defined in the [Local Government and Housing Act 1989 \(as amended\)](#), either:
- (i) where the post holder gives advice on a regular basis to the Authority (meaning the County Council, the Cabinet, Lead Cabinet Member, any committee or sub-committee of the Authority, or to any committee on which the Authority is represented); and/or
 - (ii) the post holder speaks on behalf of the Authority on a regular basis to journalists or broadcasters.
- Advice on this can be obtained from the Assistant Chief Executive.
- 3.5. If your duties bring you into contact with County Councillors, you should be aware that guidance on relationships with Councillors is contained within the [Code on Member/Employee Relationships](#).

4. Using County Council equipment, materials and property

- 4.1. You must ensure that you use public funds entrusted to you in a responsible and lawful manner, and in accordance with the County Council's [Financial Regulations](#), and all other relevant County Council policies.
- 4.2. The facilities and equipment provided as part of your work belong to the County Council and should only be used for legitimate County Council business purposes. Please ensure that you:
- Comply with health and safety regulations and use personal protective equipment as required;
 - Take care of County Council property or equipment, keeping it secure and reporting any breakages or breaches of security;
 - Use equipment and facilities for authorised purposes only;
 - Do not use County Council equipment or property, including vehicles, for your own private benefit or gain or in fraudulent activity or for any unauthorised purposes.
- 4.3. Facilities and equipment is taken to mean, but is not limited to; computers, software, telephones, vehicles and intellectual property. Please also refer to the [Personal Use of Council Equipment Policy](#), [Internet Access and Usage Policy](#), and [Email Use Policy](#).

5. Gifts, bequests and legacies

- 5.1. It is a serious criminal offence for you to corruptly receive or give any bribe, gift, loan, fee, reward, or advantage for doing or not doing anything or showing favour or disfavour to any person in your official capacity. If an allegation is made, it is for you to demonstrate that any such rewards have not been corruptly obtained. Please also refer to the [Anti-Fraud and Corruption Strategy](#).
- 5.2. As a representative of the County Council it is important that you treat any offer of a personal gift, loans, fees, rewards or other financial or in kind advantage (collectively referred to here as 'gifts') with care. You must not accept gifts from contractors or potential contractors, including those who have previously worked for the County Council, service users, clients or suppliers.
- 5.3. You should handle the refusal of gifts with tact and courtesy. The intentions of those offering gifts may not have been corrupt but simply inappropriate to professional relationships in the public sector. It is therefore important, that where organisations make offers of gifts or hospitality, they are clearly made aware that such practice is unacceptable and should not be repeated.
- 5.4. If you receive any unexpected gifts they must be returned with a polite refusal letter to the sender, which makes it clear that County Council employees are not permitted to accept any gifts, other than those set out in sections 5.6 and 5.7.
- 5.5. All gifts offered including, but not limited to, inducements such as air miles, trading discounts, vouchers, or offers of hospitality, must be declared (See [Declaration of Gift or Hospitality Form at Appendix 3](#)).
- 5.6. Minor articles such as diaries, calendars, mugs, office items and the like will not be regarded as a gift. If you have any doubt as to whether an item falls within the definition of a gift and / or is acceptable, you are expected to raise this with your manager at the earliest opportunity.
- 5.7. In the case of schools, low value items are frequently offered as a gesture of appreciation from pupils, parents or carers, at the end of term for example. These may be accepted if they are not in any way connected with the performance of duties. Discretion should be exercised where the items offered are in excess of £10 in value and then can only be accepted with the Headteacher's approval and must be declared.
- 5.8. The same rules as above apply to bequests, which must be refused, unless there are special circumstances approved in writing by your Assistant Director in consultation with the Assistant Chief Executive. In schools, this should be approved by your Headteacher and Chair of Governors. (See [Declaration of Gift or Hospitality Form at Appendix 3](#)).

5.9. In summary:

- You should not accept gifts.
- Declare the offer of any gifts (including bequests or legacies).
- You should handle the refusal of gifts with tact and courtesy and make those offering them aware that such practice is not acceptable and should not be repeated.
- Unexpected gifts must be returned with a polite refusal letter to the sender.
- All gifts offered for any amount must be declared.
- Minor articles of a promotional nature such as diaries, calendars, and mugs will not be regarded as a gift.
- If you have any doubt, as to what is acceptable, speak to your manager beforehand or at the earliest opportunity following receipt of the article or gift.
- In the case of schools, articles from pupils/parents/carers of less than £10 in value need not necessarily be refused.

6. Hospitality

6.1. You should exercise caution in offering and accepting accommodation, tickets or passes for an event, food or drink, or entertainment which is provided free of charge or at a discounted rate ('hospitality'). You should bear in mind how it might affect your relations with the party offering it or receiving it and how it might be viewed by a range of stakeholders, including:

- County Councillors;
- School Governors;
- other potential suppliers/contractors;
- the public;
- the media;
- your colleagues.

6.2. When considering any offer of hospitality, the following should be considered when determining whether it can be accepted:

- the invitation comes from an organisation or individual likely to benefit from the County Council;
- the organisation or individual is seeking a contract with the County Council, or one has already been awarded;
- in the case of a visit, it is genuinely instructive and does not constitute, or could be perceived as being, more of a social function;
- the scale and location of the hospitality is proportionate and relative to the event;
- the event takes place outside of normal working hours;
- it is being offered on a frequent basis;
- it is being offered just to you or others as well;
- the hospitality is purely a social or sporting event as opposed to an event which you are attending in an official capacity.

- 6.3. Examples of Hospitality which should not normally be accepted include:
- events that are purely social occasions;
 - attendance at events that, if they had been funded by the County Council, would be perceived as a poor or inappropriate use of public funds;
 - events where current or potential contractors pay for the meals or the table at the event; and /or
 - attendance at corporate events, including sporting or cultural events.
- 6.4. Examples of events which may be accepted (subject to consideration of the factors listed in 6.2):
- events that are clearly of a training or development nature; and / or
 - events where you are invited to attend as a formal representative of the County Council and attendance relates directly to the performance of your duties.
- 6.5. In all instances where you wish to accept hospitality, including site visits as part of procurement or similar activities, you must seek the approval in advance in writing from your Assistant Director/Headteacher and wherever possible the County Council should meet the cost of your attendance in full.
- 6.6. Particular care should be taken in the case of attendance at conferences, seminars or other training and development events, where current or potential contractors or suppliers offer to pay the associated costs. Whilst these may be business related events, it may be inappropriate hospitality to be funded by others. In such cases, advice should be sought from your Assistant Director/ Headteacher but as a general rule, if the event is genuinely business related then it should be funded by the County Council and the expense subject to the normal authorisation process.
- 6.7. All offers of hospitality, whether accepted or not, should be declared. You are also reminded that, where organisations make inappropriate offers of gifts or hospitality, they should be made aware that such practice is unacceptable and should not be repeated.

7. Outside commitments

- 7.1. Regardless of grade, whether whole or part-time, permanent, temporary, relief or seasonal, you must seek the written permission of, and make a written declaration (an oral declaration is not sufficient) to, your Assistant Director/Headteacher before engaging in any other work or business (*) which might relate or in any way impact on your duties for the County Council. This includes paid or unpaid work, and will include one off pieces of work as well as regular employment. (Please see Declaration Form in [Appendix 2](#)).
- 7.2. If you are paid at or above NJC Scale 6 (spinal column point 28 and above) / Single Status Grade 9 (spinal point 23 and above) or equivalent, you are specifically required to declare to, and obtain consent from, your Assistant Director/ Headteacher, if you wish to engage in any other business (*), or take up any additional appointment regardless of whether there is any conflict of interest anticipated. Such consent will not be unreasonably withheld. If your request is approved, the County Council must be mindful of its responsibility under the Working Time Regulations 1998, the Health and Safety at Work Act 1974 and its general responsibilities towards the health of its employees.

- 7.3. You must declare in writing to your Assistant Director any relatives, partners or friends who are engaged in a business (*), which either currently provides services to the County Council or may do so in the future. In the case of schools based staff, you must declare in writing to your Headteacher any relatives, partners or friends who are engaged in a business (*), which either currently provides services to your School, or schools with which your school collaborates or is federated to, or may do so in the future. This is in order to minimise the risk of suspicion that some influence may be exerted over a particular customer as to the choice of provider, or that the provider gained advantage in terms of information received.
- 7.4. You must not work privately for personal gain for a service user/pupil for whom you have a service provision role within the County Council unless you have written consent from your Assistant Director/Headteacher. This includes service users or pupils to whom an employee may not personally be giving a service but does receive a service from the County Council. Suitability of such work may depend on the scale of the work, the impact it has on an employee's performance and whether there is any potential for an employee to be perceived as taking advantage of their position to generate the work. This determination lies with your Assistant Director or Headteacher.
- 7.5. If you are permitted to engage in any other business or take up any additional employment, you must not undertake any work in connection with your additional employment in County Council time, or make use of any County Council equipment or facilities. It is the responsibility of each individual employee to declare any additional personal income to Her Majesty's Revenue and Customs (HMRC).
- 7.6. If you have any doubt whatsoever you should make a declaration, so that the County Council can make the judgement as to whether a conflict exists.
- 7.7. The County Council is entitled to ownership of intellectual property e.g. copyright of material created by you in the course of your duties as an employee of the County Council. Please see [Guidance Notes on Ownership of Intellectual Property](#).

(*) - "engage in any other business" includes roles such as company directorships, company secretaries and so on.

8. Personal interests

- 8.1. Your off-duty hours are your own personal concern. However, you must not put yourself in a position where your job and personal interests conflict.
- 8.2. You must declare in writing any financial or non-financial interests that could in any way be considered to bring about conflict with the County Council's interests. This includes any relationship, discussions or correspondence over any employment or private interests with organisations that may have a past, current or future business connection with the County Council, including but not limited to circumstances where funds are being paid or received by the County Council. If you have any doubt whatsoever you should make a declaration, so that the County Council can make the judgement as to whether a conflict exists (see [Appendix 1: Making a declaration](#)).
- 8.3. You are required to disclose any personal interest that may conflict with the County Council's interests e.g. representative of an organisation which may seek to influence the County Council's policies (see [Appendix 1: Making a declaration](#)).

- 8.4. You must declare in writing any membership of secret societies (see [Appendix 1: Making a declaration](#)). The definition of a secret society is:
- “A lodge, chapter, society, trust or regular gathering or meeting, which:
- a) is not open to members of the public who are not members of that lodge, chapter, society or trust;
 - b) includes, as a requirement of the grant of membership, an obligation on the part of the member to make a commitment (whether by oath or otherwise) of allegiance to the lodge, chapter, society, gathering or meeting and;
 - c) includes, whether initially or subsequently, a commitment (whether by oath or otherwise) of secrecy about the rules, membership or conduct of the lodge, chapter, trust, gathering or meeting.”
- 8.5. A lodge, chapter, trust, gathering or meeting as defined above, should not be recognised as a secret society if it forms part of the activity of a general recognised religion.
- 8.6. You must inform your Assistant Director/Headteacher if you are declared bankrupt or are involved as a Director of a company which is wound up or put into voluntary liquidation, if it may potentially impact upon your role and duties. Bankruptcy may impact on the duties of employees who have a financial responsibility. The purpose of this is to ensure that a proper framework of support is in place.

9. Disclosure of information and confidentiality

- 9.1. It is generally accepted that open government is best. The law requires that certain types of information must be made available to members, auditors, government departments, service users, and the public. In particular, the Freedom of Information Act 2000 gives a legal right of access to information held by the County Council, subject to certain exemptions. You must ensure that you are aware of the [Freedom of Information Policy](#), and guidance for staff issued in relation to this.
- 9.2. No confidential information, politically or commercially sensitive information, or personal information protected by the Data Protection Act should be released to anyone, including County Councillors, without authorisation from your line manager. If you are in any doubt about disclosing information then you are expected to seek guidance from your manager.
- 9.3. Confidential Committee papers must not be released without the consent of the Assistant Chief Executive. In schools, confidential Governor Papers must not be released without the approval of the Governing Body.
- 9.4. You must not use any information obtained in the course of your employment for personal gain nor pass it on to others who might use it in such a way or for any purpose for which it was not originally intended.
- 9.5. Any information which you might receive from a County Councillor/ Governor relating to his/her personal/private affairs and which does not belong to the County Council should not be divulged without the prior approval of that County Councillor/ Governor, except where such disclosure is required or sanctioned by law.

10. Appointment and other employment matters

- 10.1. You must not be involved in the day-to-day line management, appointment, or any other decisions relating to the discipline, promotion or pay or conditions of another employee, or prospective employee, who is a relative, partner or friend. Managers should consider whether their relationship with a colleague may have an impact on their ability to carry out their duties. In schools, staff Governors should not be involved in making decisions about these matters when a colleague is the subject.
- 10.2. If you are responsible for appointing employees, you must ensure that decisions are based on merit and not on anything other than their ability to do the job. Similarly, you must not canvass on behalf of any applicant. (Please see the [Recruitment and Selection Policy](#)).
- 10.3. If you have a connection in a private, social or domestic capacity with someone who also works for the County Council or who sits on a school's Governing Body that may potentially create, or be thought to create, a conflict of interest you need to declare this to your Assistant Director/Headteacher for them to consider.
- 10.4. Employees must inform their manager if they are being investigated by any professional body and any sanction imposed.
- 10.5. If you are in doubt about any of the above, please seek advice from the Personnel Advisory Team.

11. Employment after working at the County Council

- 11.1. The County Council is concerned to safeguard the integrity of the workings of local government and to avoid even the appearance of impropriety among its employees. It is in the public interest that people with experience of public administration should be able to move into business and other bodies. It is also important that whenever a County Council employee accepts a particular outside appointment, there should be no cause for any suspicion of impropriety. The rules set out in [Appendix 4](#) to this Code are aimed at safeguarding both the County Council and individual employees from such criticism or suspicion. The rules apply to appointments in the United Kingdom and across the European Union.

12. Criminal offences

- 12.1. Employees are expected to conduct themselves at all time (inside and outside of work) in a manner which will maintain public confidence in both their integrity and the services provided by the County Council. In general, what an employee does outside work is his/her personal concern, unless those actions would cause a breakdown in the employment relationship.
- 12.2. Employees must inform their manager if they are arrested/convicted/cautioned in respect of any offence as soon as possible. Employees do not need to disclose minor driving offences (such as fixed penalty notices for speeding tickets) unless either:
 - 12.2.1. driving is a key requirement of their role (e.g. they drive County Council vehicles or drive their own vehicle regularly for work); and / or
 - 12.2.2. the conviction results in disqualification from driving.(See the [Safe Use of Motor Vehicles Policy](#) for details.)

- 12.3. Disclosing all convictions does not necessarily mean disciplinary action will be taken against an employee. The extent to which a criminal offence may affect employment depends on whether the conduct:
- Makes the employee unsuitable for their type of work; and/or,
 - May reflect adversely on the County Council's reputation or ability to perform its function.
- 12.4. Employees sentenced to immediate imprisonment may be dismissed without notice or compensation in lieu of notice.
- 12.5. Employees should always notify their manager if there is any doubt as to whether or not they need to share information about an arrest or conviction.
- 12.6. Any failure to disclose such information, even where no charges are brought against you, may lead to disciplinary action. Where it is deemed that there is an adverse impact on your employment, the [Disciplinary Policy](#) will apply.

13. Position of trust

- 13.1. It is the responsibility of all staff to ensure they maintain professional standards and do not abuse or appear to abuse their position of trust in the way they conduct their relationships with service users/pupils/contractors, their families or carers.
- 13.2. Specific examples of conduct which should be avoided include, but are not limited to:
- meeting socially with pupils or service users (or their carers or families); and/or
 - exchanging personal contact details or connecting using social media.
- 13.3. Employees must refrain from conduct of this nature unless there is sound operational reason to do so, in which case the action must only be taken with the express written approval of the employee's Assistant Director/Headteacher.
- 13.4. If employees are engaging in activity or associating with people outside work whose current or past conduct could raise doubts or concerns about an employee's own integrity or ability to be in a 'position of trust' with regard to children or vulnerable adults, this could have a direct consequence on their employment.

14. Sponsorship

- 14.1. When an outside organisation wishes to sponsor or is being asked to sponsor a County Council activity, the basic conventions concerning the acceptance of gifts and hospitality apply. Please refer to the East Sussex County Council's [Corporate Sponsorship Policy](#).
- 14.2. This section on sponsorship is not applicable to schools.

15. Relationships

15.1. Councillors

Employees are responsible to the County Council through its senior managers, except where a school's Governing Body is the employer. Your role may require you to give advice to councillors and senior managers. Mutual respect between employees and Councillors is essential to good local government. Close personal familiarity between employees and individual Councillors can damage the relationship and prove embarrassing to other employees and Councillors. It should therefore be avoided.

15.2. Contractors

You must declare in writing to your Assistant Director/Headteacher any current or past relationships of a business or private nature with any outside organisation or individual that has a relationship with the County Council (see [Appendix 1: Making a declaration](#)). Orders and contracts must be awarded on merit and no special favour should be shown to any businesses, particularly those you have an interest in. If you have such an interest you must not be involved in any way in awarding work or orders or subsequent management of contracts. Similarly, you must not canvass on behalf of any outside organisation that has a relationship with the County Council.

You must declare in writing to your Assistant Director/Headteacher, if you become aware that the County Council is entering a contract in which you have a direct interest (see [Appendix 1: Making a declaration](#)).

15.3. Contract Tenders

If you wish to tender for a contract from the County Council, you must declare such an intention to the appropriate Assistant Director/Headteacher, as soon as intent has been formed, and at the earliest possible opportunity (see [Appendix 1: Making a declaration](#)).

15.4. Foster Carers

If you act as a foster carer for the County Council or any other agency you must declare this (including the intention to do so if you are not already a foster carer) in writing as a potential conflict of interest (see [Appendix 1: Making a declaration](#)).

15.5. The Press and Media

You must not deal direct with the press or the media in relation to anything related to County Council business unless required to do so as part of your duties, or you have been expressly authorised by your line manager in consultation with your Assistant Director/Headteacher.

If you speak as a private individual directly to the press or at a public meeting or other situation where your remarks may be reported to the press, you must take reasonable steps to ensure nothing you say might lead the public to think you are acting in your capacity as a County Council employee.

15.6. The Local Community and Service Users

You must always remember your responsibilities to the community which you serve and ensure courteous, efficient and impartial service delivery to all groups and individuals within that community as defined by the policies of the County Council.

16. Approvals

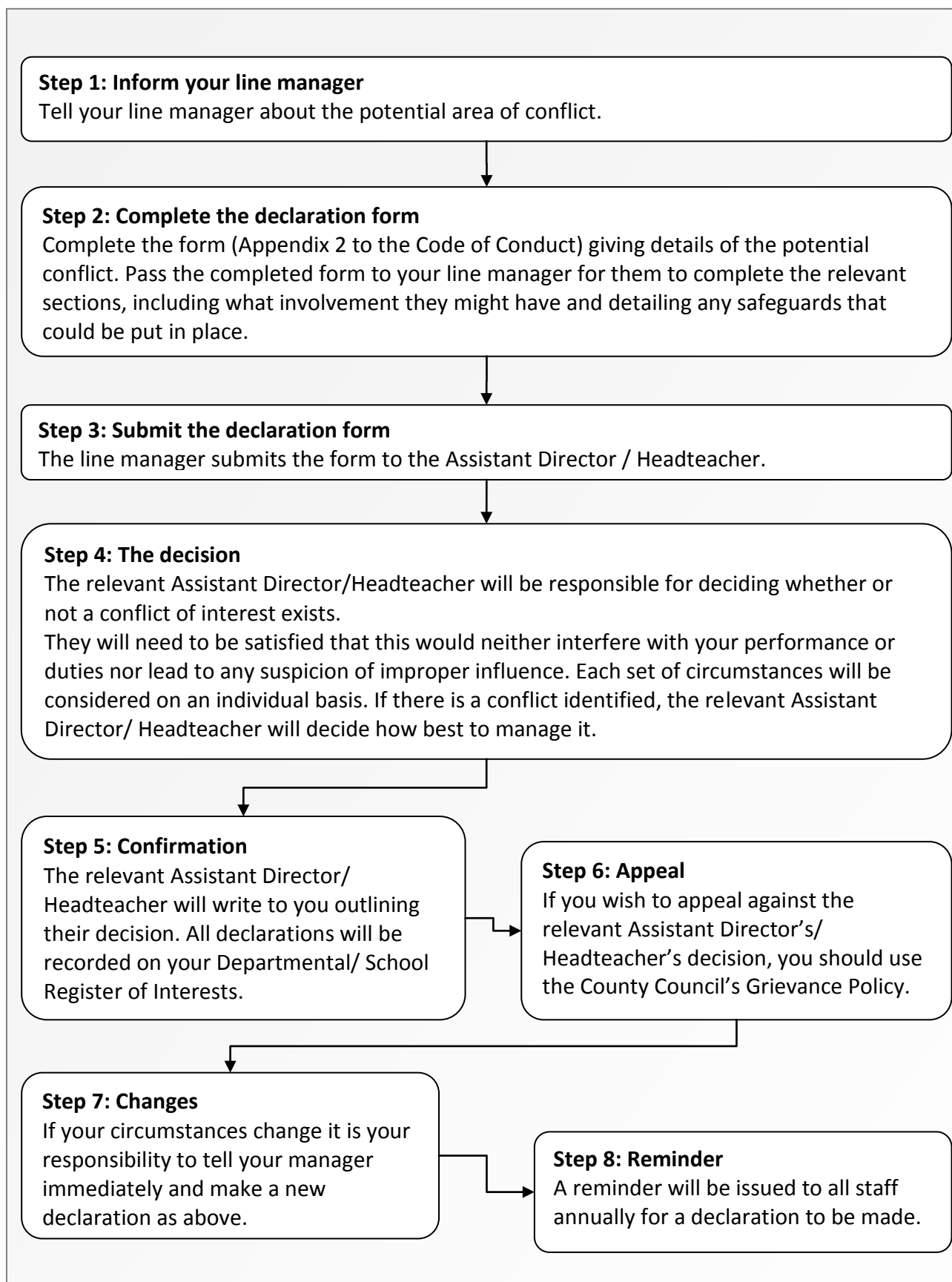
- 16.1. Where Assistant Directors, Deputy Chief Officers, and Chief Officers require approval or notification under the Code then this shall respectively be obtained from the appropriate Deputy Chief Officer, Chief Officer, or the Chief Executive. The Chief Executive shall obtain approval or notify either the Monitoring Officer, or the Section 151 Officer.
- 16.2. Where the Headteacher requires approval or notification under the Code then this shall be obtained from the Chair of Governors.

17. If in doubt


- 17.1. It is not possible to cover every situation you may face as an employee of the County Council. Simply because a particular action may not be addressed within the Code, this does not condone that action by omission. If you are in any doubt about anything contained within this Code, or are concerned about anything relating to your personal position, you should speak to your line manager immediately. Where necessary, line managers should seek advice from their Assistant Director/ Headteacher.

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Appendix 1: Potential Conflicts of Interest



Appendix 2: Declaration form


<u>Declaration form for conflict of interests</u>			
<p>This form will be given to the appropriate Assistant Director or Headteacher who will need to be satisfied, in giving their consent that the declaration would neither interfere with the employee's performance or duties nor lead to any suspicion of improper influence. Each set of circumstances will be considered on an individual basis.</p>			 <p>East Sussex County Council eastsussex.gov.uk</p>
Employee's name			
Employee's job title			
Department and/or school		Working location:	
Manager's name			
Do any of the following apply to this role?	LMG Manager		Legal Services Officer
	Non-LMG Manager		Procurement Officer
	Finance Officer		
Part 1 – to be completed by the employee			
Please outline your declaration OR state 'Nil Return' below. It is then your responsibility to pass this form to your line manager for his or her comments.			
Employee's signature		Date	
Part 2 – to be completed by the employee's line manager			
Please detail any supporting information with regard to your member of staff's declaration. This should include your views and comments, what involvement you anticipate having and detailing any safeguards that could be installed. Please also include the views of your manager if appropriate.			
Line manager's signature		Date	
Part 3 – authorisation by the Assistant Director			
Authorised? (delete as appropriate) Yes No			
Additional comments			
Authoriser's signature		Date	

On completion by the line manager of a **Positive return**, return this form in an envelope marked 'Private and Confidential' to the relevant Assistant Director or Headteacher.

On completion by the line manager of a **nil return**, return this form to your Departmental Coordinator or Headteacher as outlined below.

Adult Social Care	Kirstie Battrick	Governance Services	Caroline Hodge
Children's Services	Flis Wright	Communities, Economy & Transport	Jasmin Carcary
Business Services	Clare Dann	Chief Executive's Office	Caroline Hodge
Schools	Headteacher	Public Health	Tracey Houston

Appendix 3: Declaration of gift or hospitality

Declaration Form for gift or hospitality		 East Sussex County Council eastsussex.gov.uk	
Once you and your Manager have signed this form, you need to send it in an envelope marked 'Private and Confidential' to your Assistant Director or Headteacher.			
Employee name			
Employee job title			
Team and/or department and/or school name			
Manager's name			
Part 1 – to be completed by the employee			
I have been offered the following gift / invited to the following: (Where relevant, include details of what has been offered, reason for offer, place, date and time of the event, likely business benefits and frequency of the event.)			
Estimated value			
Offered to me by			
Delete as appropriate: The gift/hospitality offered was not accepted I wish to accept the offer of hospitality for the following reasons:			
Employee's signature		Date	
Part 2 – authorisation by the Assistant Director			
Authorised? (delete as appropriate) Yes No If authorised, please record why it is acceptable:			
If authorised, are the costs being met in full by the Council? If not, please detail and explain why:			
Authoriser's signature		Date	

This declaration will be entered into the School's/Department's Register of Gifts and Hospitality which is available for inspection by the public.

Appendix 4: Employment after working at the County Council

1. In order to safeguard the integrity of the administration of the County Council, and in order to counter any suspicion of impropriety in, among other things, the contracting process for local authority works and services, the County Council requires each of its employees to obtain the approval of their Chief Officer/Headteacher before accepting any offer of employment in business or other bodies outside the County Council which would commence within six months of leaving the employment of the County Council, whether full or part-time, or before establishing a consultancy in the following circumstances:
 - a. If you have had any material official dealings with your prospective employer (who, for the purpose of applying any of the clauses of these rules could be any organisation, individual or related undertaking including parent and subsidiary undertakings and associated undertakings as well as partners in joint ventures) during the last two years of employment with the County Council; or
 - b. If you have had any material official dealings of a continued or repeated nature with your prospective employer during the last two years of employment with the County Council; or
 - c. If you have had access to commercially sensitive information of competitors of your prospective employer in the course of your official duties; or
 - d. If you have been substantially involved in negotiations on behalf of the County Council in respect of any commercial or contractual arrangements with an external body or party; or
 - e. If, during the last two years of your employment with the County Council your official duties have involved advice or decisions benefiting that prospective employer, for which the offer of employment could be interpreted as a reward, or if your official duties have involved developing policy, knowledge of which might be of benefit to the prospective employer; or
 - f. If you are to be employed on a consultancy basis, either for a firm of consultants or as an independent self-employed consultant, and you have had any dealings of a commercial nature with outside bodies or organisations in your last two years of employment with the County Council.

Chief Officers to whom the rules apply are required to obtain approval from the Chief Executive. The Chief Executive will need to obtain approval from the Governance Committee in the event that s/he proposes to take up an appointment which would lead to the rules applying to him/her. Headteachers to whom the rules apply are required to obtain approval from the Chair of Governors.

2. Approval for appointment to any position falling within the scope of these rules shall not be withheld unreasonably. In considering whether to approve an appointment, the Chief Officer/Headteacher will take into consideration the following matters:
 - a. The relationship of the County Council to the prospective employer;
 - b. The relationship between the applicant and the prospective employer during the course of the applicant's employment with the County Council;
 - c. The possibility that the applicant may have had access to trade secrets and/or confidential information about one or more of the prospective employer's competitors during the course of employment with the County Council;
 - d. The applicant's degree of seniority within the County Council; and / or
 - e. Any other relevant factors.
3. It will be open to those considering applications to recommend unqualified approval or to recommend approval subject to any waiting periods less than two years or other conditions which are appropriate to the particular circumstances of the applicant (e.g. seniority of the employee and the prospective employer).

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Appendix 5: Frequently Asked Questions

What is a conflict of interest?

A conflict of interest arises when a person's private or personal interests could be perceived to be able to influence or potentially influence a person's official responsibilities.

What should I do if I think there is a potential conflict of interest?

Inform your manager of the potential conflict and ensure you immediately complete the conflict of interest declaration form in Appendix 2. If in doubt – declare it.

If the conflict concerns relationships between members of staff **all** parties must complete the declaration form.

What action should my manager take?

Your manager should ensure that:

- You do not directly supervise or that you are not directly supervised by anyone where there may be a potential conflict of interest.
- You do not have any Council business involvement with the declared conflict of interest, such as outside parties or specific contracts.
- Any claim forms you may submit e.g. travel, additional hours etc. or any invoices, orders or contracts are not authorised by anyone where there may be a potential conflict of interest.
- Any specific one-off requests are agreed by a neutral party.

What if someone I know applies for a job?

If you receive a job application from someone who is known to you, you should:

- Ensure you are not involved in any part of the selection process. This includes short listing, interview process, reference requests and decisions to appoint.
- If the person is successful you must declare the relationship and agree any necessary measures that need to be put in place, ideally prior to their commencing employment.

What should I do if I'm not sure whether there's a conflict of interest?

If you have any doubts as to whether a potential conflict of interest exists always talk to your manager about it.

Appendix 6: Equality Impact Assessment Summary

Date of assessment: 15th August 2011

Manager(s) name: Greg Nicol

Role: Head of Personnel Advisory Service

Proposal, project, service, strategy or policy, that was impact assessed:

Code of Conduct and Conflict of Interest Policy

Summary of findings:

This policy does not discriminate against any group. Potential barriers concerning the accessibility of the policy are mitigated by employees being able to request the policy in different formats and having the policy printed for them by a manager with access to a computer/intranet.

Summary of recommendations and key points of action plan:

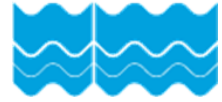
-

Groups that this project or service will impact upon

Please mark the appropriate boxes with an 'x'

	Positive	Negative
Age		
Disability		
Ethnicity		
Gender/Transgender		
Marital Status/Civil Partnership		
Pregnancy and Maternity		
Religion/Belief		
Sexual Orientation		
Other (carers, literacy, health, rurality, poverty)		
All	X	

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Whistleblowing Policy – Raising Concerns

Date: March 2015

Document summary

Whistleblowing is the raising of a concern, either within the workplace or externally, about a danger, risk, malpractice or wrongdoing which affects the organisation or others.

This policy provides a clear framework which is intended to give people the confidence to raise workplace concerns without fear of reprisal or victimisation.

Contents

Key points	3
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2. Who does this policy apply to?	4
3. Our assurances to you.....	4
4. What kind of concerns would I disclose under this policy?	4
5. How do I raise a concern internally?.....	5
6. How will the County Council respond?	6
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About this document:

<p>Enquiries: Internal Audit/HR Strategy Team Author: Internal Audit + HR Strategy Team Telephone: 01273 481447, 01273 335061 Email: Russell.banks@eastsussex.gov.uk ~DBSPATHRStrategyteam@eastsussex.gov.uk</p> <p>Download this document: http://www.eastsussex.gov.uk/yourcouncil/finance/guide/fraud/download.htm</p>	<p>Version number: 01 Related information: Code of Conduct and Conflict on Interest Policy Anti-Fraud and Corruption Strategy Grievance and Workplace Conflict Policy Anti-Money Laundering Policy</p>
<p>Accessibility help</p> <p>Zoom in or out by holding down CTRL and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document. Press Alt-left arrow to return to your previous location. References shown in blue text are available on the Intranet and/or Czone. References shown in underlined blue text are hyperlinks to other parts of this document.</p>	

Whistleblowing policy – raising concerns

Key points

- The public have an expectation that we will run the organisation with the highest standards of openness and integrity.
- This policy encourages, enables and reassures all employees to raise workplace concerns about risk, malpractice and wrongdoing. The principles of this policy apply equally to elected Members.
- Employees will not be penalised, victimised or harassed for honestly raising workplace concerns and this policy provides assurance that you will be protected.
- All concerns will be treated in confidence and listened to. You are encouraged to put your name to allegations, as anonymous concerns are more difficult to investigate and provide feedback. However, anonymous concerns can still be raised.
- This policy is about raising a workplace concern where the risk is possibly to the organisation or others, as opposed to a grievance.

1. Introduction

- 1.1. At one time or another, all of us may experience concerns about what is happening at work. Usually these concerns are easily resolved. However, when the concern feels serious because it involves possible health and safety, or a person's welfare, malpractice or a wrongdoing that might affect others or the organisation, it can be difficult to know what to do.
- 1.2. You may be worried about raising such a concern and may think it is best not to say anything, or keep it to yourself, perhaps feeling it's none of your business or that it is only a suspicion. You may feel you would be disloyal to your colleagues, manager or to the organisation if you raised it. You may decide to say something but find that you have spoken to the wrong person, you may have raised it before and nothing was done or you may have raised it in the wrong way and are not sure what to do next.
- 1.3. The public have an expectation that we will run the organisation with the highest standards of openness and integrity. Furthermore, the Corporate Management Team (CMT) is committed to running this organisation in the best way possible and to do so, your help is needed. This policy is designed to reassure you that it is safe and acceptable to speak up and raise any workplace concerns you may have and that you are showing loyalty and commitment to the organisation by raising concerns.
- 1.4. Rather than wait for proof, it is preferred that you raise the matter as early as possible and when it is still a concern. Speaking out early could stop the issue from becoming more serious, dangerous or damaging.
- 1.5. The Whistleblowing Policy is primarily for concerns where the interests of the organisation or others are at risk. Therefore, if something is troubling you that you think we should know about and look into, please use this policy.

2. Who does this policy apply to?

- 2.1. This policy applies to all County Council employees whether full-time or part-time, including School based employees where the Governing Body has adopted the policy (subject to any changes that may have been adopted by the Governing Body of the school). Throughout this policy, reference to the 'County Council' or 'organisation' therefore includes 'Schools'.
- 2.2. In addition, the policy applies to Members, all contractors and their staff working for the County Council e.g. agency staff, consultants and builders; also providers of works, services and supplies, including the County Council's external contractors and those providing services under a contract with the County Council in their own premises.

3. Our assurances to you

- 3.1. CMT are committed to this policy. If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering from any form of retribution as a result. Provided you are acting honestly and in good faith, it does not matter if you are mistaken. Of course, this assurance is not extended to someone who maliciously raises a matter they know not to be true.
- 3.2. With these assurances, we hope that you will raise your concern openly. However, we do recognise that there may be circumstances when you would prefer to speak to someone in confidence first. If this is the case, please say so at the outset. If you ask us not to disclose your identity, we will not do so without your consent unless required to do so by law. Please understand that there may be times when we are unable to resolve a concern without revealing your identity and in such cases, we will discuss this, and how best to proceed, with you.
- 3.3. Please remember that if you do not tell us who you are (report it anonymously) it will be much more difficult for us to look into the matter. We will also not be able to protect your position or provide feedback.
- 3.4. If you are unsure about raising a concern, you can get independent advice from the independent whistleblowing charity Public Concern at Work (see contact details under External Contacts).

4. What kind of concerns would I disclose under this policy?

- 4.1. This policy covers any serious concerns about any aspect of service provision or the conduct of officers or Members of the County Council or others acting on behalf of the County Council. This could be something against County Council policy; that falls below established standards of practice; or which relates to improper conduct or criminal activity (including fraud).
- 4.2. Concerns that fall within this policy could include, but are not limited to:
 - Practice that puts people or the County Council at risk;
 - a criminal offence has been committed, is being committed or is likely to be committed;
 - failure or likely failure to comply with any legal obligations;
 - health and safety risks, including risks to the public;
 - damage to the environment;
 - something that is against County Council standing orders and policies;

- information relating to any of these concerns that is being or is likely to be deliberately concealed;
- weaknesses in procedure(s) that could put the organisation or people at risk.

4.3. This list is not exhaustive and even if your concern does not fall into any of the categories above, you are encouraged to raise it.

4.4. Please note that the [Grievance and Workplace Conflict Policy](#) exists to enable you to lodge a grievance relating to any matter concerning your own employment or how you have been treated, that you are unhappy about. It is very important that the Whistleblowing Policy is not used to raise individual grievances, and nor is it to be a mechanism for challenging decisions, practices and policies with which you disagree.

5. How do I raise a concern internally?

5.1. Please remember that you do not have to have firm evidence before raising a concern. You only need to have a reasonable belief that wrongdoing is taking place. Any evidence you can provide will be useful in helping the County Council investigate your concern, although it could be that you are not able to provide any evidence. We do ask that you explain as fully as you can the information or circumstances that gave rise to your concern.

5.2. Please raise your concern(s) either orally or in writing, to your immediate line manager, a more senior manager or your Chief Officer. In the case of schools, contact the head teacher or chair of governors. It is your choice as to how you raise a concern. You may wish to communicate via email, over the phone, or arrange a meeting away from the workplace.

5.3. East Sussex County Council has a Confidential Reporting Hotline which can be used to report concerns. This can be accessed by either dialling **01273 481995** or emailing: **confidentialreporting@eastsussex.gov.uk**. Please note this hotline is monitored by Internal Audit.

5.4. Should you not wish to report your concerns using the normal management structure or the Confidential Reporting Hotline, or if your concerns are about management, you can use any of the contacts listed below:

- The Chief Executive, County Hall – 01273 481950
- The Assistant Chief Executive, County Hall – 01273 481564
- The Chief Operating Officer, County Hall – 01273 481412
- The Chief Finance Officer, Business Services, County Hall – 01273 335078
- The Head of Assurance, Business Services, County Hall – 01273 481447

5.5. If you wish to raise your concerns in writing to any of the above, please address your letter to:

County Hall
St Anne's Crescent
Lewes BN7 1UE

5.6. School based employees whose concerns relate to the head teacher / principal may wish to approach the Chair of Governors, the Director of Children's Services, or any of the individuals listed above.

5.7. Remember to allow us to investigate and assess the situation it would be helpful to provide as much information as possible. We encourage you to put your name to allegations, as anonymous concerns are more difficult to investigate, and we want to be able to take any appropriate action to protect you and provide you with feedback.

6. How will the County Council respond?

- 6.1. Once you have told us your concern, we will assess it and consider what action may be appropriate. This may involve a formal review, an internal enquiry or a more formal investigation. We will tell you who will be your point of contact, what further assistance we may need from you, and agree a timetable for feedback. If you ask, we will write to you summarising your concern and setting out how we propose to handle it. If we have misunderstood the concern or if there is any information missing, please let us know.
- 6.2. When you raise the concern it will be helpful to know how you think the matter might be best resolved. If you have any personal interest in the matter, we do ask that you tell us at the outset. If we think your concern falls within our Grievance or Workplace Conflict policy or another relevant policy, we will let you know.
- 6.3. Regardless of what action may be appropriate in resolving your concern, we will not tolerate victimisation or harassment, and will take all necessary steps to protect you from any detriment.
- 6.4. Wherever possible, we will give you feedback on the outcome of any investigation. Please note, however, that we might not be able to tell you about the precise actions we take where this would infringe the duty of confidence we owe to other persons.
- 6.5. While we cannot guarantee that we will respond to all matters in the way that you might wish, we will strive to handle the matter fairly and properly. By using this policy you will help us to achieve this.

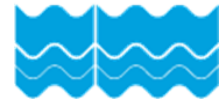
7. External contacts

- 7.1. It is hoped that this policy gives you the reassurance to raise matters internally within the organisation. Whilst we would prefer you to raise your concern internally, we do recognise that there may be circumstances where you may wish to raise matters with outside organisations or regulators. In fact, we would rather you raised a matter with an appropriate outside organisation or regulator than not raise it at all.
- 7.2. If you are unsure whether to use this policy or you want confidential advice at any stage, you may contact the independent charity Public Concern at Work's whistleblowing helpline on 020 7404 6609, or by email via whistle@pcaw.org.uk.

Regulator/Organisation	Contact details
<p>Health and Safety Executive http://www.hse.gov.uk/contact/concerns.htm</p> <p>Protect people against the risk to health or safety arising out of work activities.</p>	<p>HSE Concerns Team</p> <p>Phone: 0300 0031647 in office hours, (Monday – Friday from 8.30am – 5.00pm)</p> <p>Email: concerns@hse.gsi.gov.uk</p>

<p>Ofsted http://www.ofsted.gov.uk/contact-us/whistleblower-hotline</p> <p>Inspect and regulate services which care for children and young people, and those providing education and skills for learners of all ages.</p>	<p>Phone : 0300 123 3155 (Monday to Friday from 8.00am -6.00pm).</p> <p>Email: whistleblowing@ofsted.gov.uk.</p> <p>Write: WBHL, Ofsted, Piccadilly Gate, Store Street, Manchester, M1 2WD</p>
<p>External Audit http://www.kpmg.com/UK/en/Pages/email-us.aspx</p>	<p>Phone: 020 7311 1000.</p> <p>Write: KPMG, 1 Forest Gate, Brighton Road, Crawley West Sussex RH11 9PT</p>
<p>Public Concern at Work http://www.pcaw.org.uk/</p> <p>An independent charity which run a confidential whistleblowing helpline.</p>	<p>Phone: 020 7404 6609</p> <p>Email: whistle@pcaw.org.uk</p> <p>Write: Public Concern at Work, Suite 301, 16 Baldwins Gardens, London EC1N 7RJ</p>
<p>Care Quality Commission http://www.cqc.org.uk/content/report-concern-if-you-are-member-staff</p> <p>Check whether hospitals, care homes, GP's dentists and services in your home are meeting national standards</p>	<p>Phone: 03000 616161</p> <p>Write: CQC National Customer Service Centre Citygate Gallowgate Newcastle upon Tyne NE1 4PA</p>

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Anti-Money Laundering Policy

Date: February 2015

Document summary

This policy sets out the procedures that must be followed to enable the Council to comply with its legal obligations to prevent criminal activity through Money Laundering.

Contents

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About this document:

<p>Enquiries: BSD Assurance Author: BSD Assurance Telephone: 01273 482489 Email: russell.banks@eastsussex.gov.uk</p> <p>Download this document From: http://intranet.escc.gov.uk/helping/financepurchasing/finance/Documents/antimoneylaundering.doc</p>	<p>Version number: 03</p> <p>Related information</p> <p>Anti-Fraud and Corruption Strategy Code of Conduct and Conflict of Interest Policy Disciplinary Policy and Procedures Whistleblowing policy – Raising concerns</p>
<p>Accessibility help</p> <p>Zoom in or out by holding down the Control key and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document Press Alt-left arrow to return to your previous location. References shown in blue text are available on the Intranet/Czone References shown in underlined blue text are links to other areas of this document</p>	

Anti-Money Laundering Policy

Key Points

- The Council is committed to the prevention, detection and reporting of money laundering.
- All employees must be vigilant for the signs of money laundering.
- Any employee who suspects money laundering activity must report this promptly to the Money Laundering Reporting Officer (MLRO).
- No payment to the Council will be accepted in cash if it exceeds £3,000.
- Customer / Contractor identification should be carried out when forming new business relationships or significant 'one off' transactions.

1 Introduction

- 1.1 The Proceeds of Crime Act (POCA) 2002, the Terrorism Act (TA) 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to ensure that procedures are in place to prevent the Council's services being used for money laundering.
- 1.2 This policy sets out the process which minimises the risk and provides guidance on the Council's money laundering procedures. Adhering to this policy and guidance will protect employees from the risk of prosecution if an employee becomes aware of money laundering activity while employed by the Council.
- 1.3 This policy is not intended to prevent customers and service providers from making payments for Council services, but is intended to minimise the risk of money laundering in high value cash transactions.
- 1.4 Any person involved in any known or suspected money laundering activity in the UK risks a criminal conviction.

2 Policy Statement

- 2.1 The Council is committed to:
 - Doing all we can to prevent, wherever possible, the Council and its staff from being exposed to money laundering;
 - Identifying the potential areas where money laundering may occur and strengthening procedures to minimise the risk; and
 - Complying with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.
- 2.2 It is vital that every member of staff is aware of their responsibilities and remains vigilant.

3 Scope of the Policy

- 3.1 This Policy applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.
- 3.2 This Policy sits alongside the Council's Anti-Fraud and Corruption Strategy and Whistleblowing Policy – Raising Concerns.

3.3 Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedures.

4 **What is Money Laundering?**

4.1 Money laundering is the process whereby the proceeds of crime (criminally obtained money or other assets (criminal property)) are exchanged for 'clean' money or other assets with no obvious link to their criminal origin.

4.2 Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism. Money laundering activity includes:

- acquiring, using or possessing criminal property;
- handling the proceeds of crimes such as theft, fraud and tax evasion;
- being knowingly involved in any way with criminal or terrorist property;
- entering into arrangements to facilitate laundering criminal or terrorist property;
- investing the proceeds of crimes in other financial products;
- investing the proceeds of crimes through the acquisition of property/assets;
- transferring criminal property.

4.3 Money laundering is the term used for a number of offences involving the proceeds of crime. The POCA 2002 defines both the money laundering offences and reporting responsibilities. These include possessing, or in any way dealing with, or concealing, the proceeds of any crime.

4.4 The main offences relating to money laundering can be summarised as:

- concealing, disguising, converting, transferring or removing criminal property from England, Wales, Scotland or Northern Ireland.(section 327);
- being involved in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property (section 328);
- acquiring, using or possessing criminal property (section 329);
- doing something that might prejudice an investigation – for example, falsifying a document (section 342).

4.5 Additionally, the Terrorism Act 2000 extends the money laundering reporting requirements of all individuals and businesses in respect of terrorist fund-raising. There is a requirement to report any knowledge or reasonable grounds for belief or suspicion about the funds or property which are likely to be used for the purposes of terrorism, even if the funds are 'clean' in origin.

4.6 Any member of staff could potentially be implicated in money laundering, 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.

4.7 While the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

5. Warning Signs

5.1 Because money launderers are always developing new techniques, no list of examples can be fully comprehensive; however, here are some key factors which may give you cause for concern:

- Secretive clients / customers – a secretive or obstructive client / customer;
- Unusual instructions – instructions that are unusual in themselves or unusual for the business or your client;
- Large payments made in cash - No payment to the Council will be accepted in cash if it exceeds £3,000;
- Large payments made and a refund requested (very quickly after payment received);
- Money received from a source other than your client / customer – not where you were expecting the funds to have come from.

6 What to do if you have concerns - Reporting Procedures

6.1 Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, or to the MLRO's deputy if appropriate, using the Anti-Money Laundering reporting form, which is available upon request, from Internal Audit. If you would prefer, you can discuss your suspicions with the MLRO or their deputy first.

6.2 The employee 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.

6.3 The employee 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.

6.4 The MLRO or deputy must promptly evaluate any reported disclosure, to determine whether it should be reported to the National Crime Agency (NCA).

6.5 The MLRO or deputy must, if they so determine, promptly report the matter to NCA by completing an on-line Suspicious Activity Report (SAR's) which can be accessed via the following link:

<http://www.nationalcrimeagency.gov.uk/>

7. The Money Laundering Reporting Officer (MLRO)

7.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Assurance, Russell Banks. He can be contacted as follows:

Russell Banks
Head of Assurance – Business Services Department
East Sussex County Council
County Hall
St Anne's Crescent
Lewes, East Sussex
BN7 1UE
Telephone: 01273 481447
E-mail: russell.banks@eastsussex.gov.uk

7.2 In the absence of the MLRO, the Senior Audit Manager, Nigel Chilcott (nigel.chilcott@eastsussex.gov.uk) Telephone: 01273 481992 at the same address, is authorised to deputise for him.

8. Customer / Contractor Identification

8.1 It is the intention of this Council for its staff to be alert to potential suspicious circumstances in all their business dealing and to raise concerns with the MLRO as and when they arise.

8.2 Whilst there is no legal requirement to put in place formal procedures for evidencing the identity of those we do business with, in forming new business relationships or considering undertaking a significant one-off transaction, it is expected and prudent for management to satisfy themselves as to the identity of the parties with whom they are transacting.

8.3 Where there is a need to carry out identification, details of the check made must be recorded and retained. In carrying out an identification check you might consider the following:

- 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.

8.4 If, at any time, you suspect that a client or customer for whom you are currently, or are planning to do business with is carrying out money laundering or terrorist financing, or has lied about their identity, then you must report this to the MLRO.

9. Record Keeping

9.1 In carrying out identification procedures - the records and detail of the relevant transaction(s) for that customer / contractor / client must be retained for at least five years after the end of the business relationship.

10. Guidance and Training

10.1 In support of the policy and procedure, the Council will:

- make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
- give specific, targeted training to those individuals whose area of business is considered to be vulnerable to money laundering.

11. Further Information

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

- National Crime Agency (SAR's reporting) website www.nationalcrimeagency.gov.uk
- "Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations" – CIPFA
- 'Combating Financial Crime (Further guidance on Anti-money Laundering for Public Service Organisations) – CIPFA – www.cipfa.org.uk
- The Consultative Committee of Accountancy Bodies (CCAB) – www.ccab.org.uk
Her Majesty's Revenues and Customs (HMRC) –
<http://www.hmrc.gov.uk/mlr/index.htm>
- Law Society - www.lawsociety.org.uk
- The Joint Money Laundering Steering Group (JMLSG) – www.jmlsg.org.uk

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Report to: **Governance Committee**

Date: **28 April 2015**

By: **Assistant Chief Executive**

Title of report: **Appointment to committees, sub-committees, panels and other bodies**

Purpose of report: **To consider the allocation of places on committees, sub-committees, panels and other bodies to the six political and independent groups**

RECOMMENDATION:

The Governance Committee recommends the County Council to allocate to political and independent groups the places on, and membership of, the main committees as set out in Appendix 1.

1. Supporting Information

1.1 The County Council, at its annual meeting in May, appoints members to its committees etc. In appointing members to committees the Council must comply with section 15 of the Local Government Act 1989 and subsequent Regulations. These provide that places on committees must be allocated to political groups in proportion to the number of seats on the Council held by each group, unless there is agreement, without dissent, that the provisions of the Act should not be applied.

1.2 The allocation of places to party groups must, so far as is reasonably practicable, give effect to the following principles:

- (a) not all of the seats on the body can be allocated to the same political group;
- (b) where more than half the members of the Council belong to one political group, that group shall have a majority on all committees, sub-committees, etc;
- (c) subject to (a) and (b) above, the total number of seats on the ordinary committees (including sub-committees) allocated to a political group reflects that group's proportion of the members of the Council;
- (d) subject to (a), (b) and (c) above, the number of seats on each body allocated to a political group reflects the proportion of the seats on the Council held by the group.

1.3 The rules require seats to be allocated on a proportional basis "so far as practicable" and inevitably there must be some rounding up and rounding down. It is open to the Council to review the size and number of committees and sub-committees at any time.

1.4 Members of the Cabinet may not serve on the Scrutiny Committees or the Regulatory Committee and the Leader and Deputy Leader of the Council may not serve on the Standards Committee.

1.5 The Leader of the Council appoints the Cabinet and allocates portfolios to those Cabinet Members. Political balance provisions do not apply to the Cabinet

1.6 The principle in paragraph 1.2 (c) above applies to appointments to ordinary committees (including sub-committees). Accordingly, before considering the allocation of places to political groups the Committee will need to consider whether it wishes to recommend any changes in committees, including their size.

1.7 Following the Committee's meeting, the group leaders will be asked to let the Assistant Chief Executive have nominations to fill the places on committees provisionally allocated to their group. The nominations received will be circulated to members of the County Council on the day of the annual council meeting, for approval by the Council.

2. Allocation of seats

2.1 The tables in Appendix 1 show the proposed allocation of seats for 2015/16. The only change from 2014/15 is the establishment of the Pension Committee which has a membership of 5 councillors. The proposals in relation to the committees, their total membership and the number of seats on each to which the groups will be entitled follows the principles set out in paragraph 1.2 above.

3. Conclusion

3.1 The Committee is asked to recommend the County Council to agree the allocation of places on each committee to each group as set out in Appendix 1.

PHILIP BAKER
Assistant Chief Executive

Contact Officer: Andy Cottell Tel: 01273 481955

Local Member: All

Background Documents: None

Appendix 1

Group	Number of Councillors	%	Number of seats
Conservative	20	41	32
Liberal Democrat	10	21	16
Labour	7	14	12
UKIP	7	14	12
Independent Democrat Group	2	4	3
Independent	3	6	4
Total	49	100%	79

COMMITTEE	Conservative	Liberal Democrat	Labour	UKIP	Independent Democrat Group	Independent Group
Number of councillors	20	10	7	7	2	3
Regulatory (18)	7.35 (7)	3.67 (3)	2.57 (3)	2.57 (3)	0.73 (1)	1.10 (1)
Planning (7)	2.86 (3)	1.43 (2)	1.00 (1)	1.00 (1)	0.29 (0)	0.43 (0)
Governance (5)	2.04 (2)	1.02 (1)	0.71 (1)	0.71 (1)	0.20 (0)	0.31 (0)
Standards Committee (7)	2.86 (2)	1.43 (1)	1.00 (1)	1.00 (1)	0.29 (1)	0.43 (1)
Pension Committee (5)	2.04 (2)	1.02 (1)	0.71 (1)	0.71 (1)	0.29 (0)	0.43 (0)
Scrutiny Committees:						
Audit, Best Value and Community Services(7)	2.86 (3)	1.43 (2)	1.00 (1)	1.00 (1)	0.29 (0)	0.43 (0)
Children's Services (9)	3.67 (4)	1.84 (2)	1.29 (1)	1.29 (1)	0.37 (1)	0.55 (0)
Health Overview & Scrutiny (7)	2.86 (3)	1.43 (1)	1.00 (1)	1.00 (1)	0.29 (0)	0.43 (1)
Adult Social Care & Community Safety (7)	2.86 (3)	1.43 (1)	1.00 (1)	1.00 (1)	0.29 (0)	0.43 (1)
Economy, Transport and Environment (7)	2.86 (3)	1.43 (2)	1.00 (1)	1.00 (1)	0.29 (0)	0.43 (0)
TOTALS (79)	32	16	12	12	3	4

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Report to: **Governance Committee**

Date: **28 April 2015**

By: **Assistant Chief Executive**

Title of report: **Amendments to Constitution – Disciplinary process for senior officers**

Purpose of report: **To consider proposals to amend the Council’s Constitution, in accordance with Regulations, to localise the disciplinary process for the posts of the Head of Paid Service, the Monitoring Officer and Chief Finance Officer.**

RECOMMENDATION: The Committee is recommend to recommend the County Council:

- 1) to agree to the Constitution being amended to reflect the provisions of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 in relation to the disciplinary process for the posts of the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer; and**
 - 2) to delegate authority to the Assistant Chief Executive to make all necessary changes to the Constitution to give effect to this decision**
-

1. Supporting Information

1.1 The Local Authorities (Standing Orders) (England) Regulations 2001 introduced a degree of statutory protection in relation to particular officers of the Council. The officers who were afforded this protection were the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer. The rationale for this protection was based on the fact that these officers have statutory duties and obligations which have the potential to bring them into conflict with their employer, the local authority. In March 2013 the Committee considered a report on the Government’s draft regulations to remove the existing statutory Designated Independent Person procedures.

1.2 The Committee agreed that the Council should respond to the consultation from the Department for Communities and Local Government expressing the view that a requirement for a Designated Independent Person to investigate allegations of misconduct by senior officers should be retained.

1.3 Following the consultation, The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 are due to come into force on 11 May 2015. The Regulations amend and localise the disciplinary process for the posts of the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer. The Regulations remove the requirement that a Designated Independent Person be appointed to investigate and make a binding recommendation on disciplinary action against these senior staff.

1.4 In place of the Designated Independent Person Process, the decision will be taken by the Full Council, who must consider any advice, views or recommendations

from an independent panel (see paragraph 1.5), the conclusions of any investigation into the proposed dismissal, and any representations from the officer concerned.

1.5 In the case of a proposed disciplinary action against the Head of Paid Service, the Monitoring Officer or Chief Finance Officer, the Council is required to invite independent persons who have been appointed for the purposes of the members' conduct regime introduced under the Localism Act 2011 to form an independent panel. An independent Panel will be formed of two or more independent persons who accept the invitation in the following priority order:

- (a) a relevant independent person who has been appointed by the council and who is a local government elector;
- (b) any other independent person who has been appointed by the council; and
- (c) an independent person who has been appointed by another council or councils

1.6 The authority must appoint the Panel at least 20 working days before the meeting of the council to consider whether or not to approve a proposal to dismiss the relevant postholder.

1.7 The provisions to be incorporated into the Council's Standing Orders are set out in Appendix 1 of the report

1.8 It is therefore necessary to amend the Constitution to reflect the Regulations

3. Recommendations

3.1 The Committee is asked to recommend the asked to agree to recommend the County Council to agree to the Council's Constitution being amended in order to ensure that the authority complies with recent Regulations

PHILIP BAKER
Assistant Chief Executive

Contact Officer: Andy Cottell

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E-mail: andy.cottell@eastsussex.gov.uk

Local Members: All

Background Documents

The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015

APPENDIX 1

Provisions to be incorporated in standing orders in respect of disciplinary action

1. In the following paragraphs—

- (a) “the 2011 Act” means the Localism Act 2011;
- (b) “chief finance officer”, “disciplinary action”, “head of the authority’s paid service” and “monitoring officer” have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;
- (c) “independent person” means a person appointed under section 28(7) of the 2011 Act;
- (d) “local government elector” means a person registered as a local government elector in the register of electors in the authority’s area in accordance with the Representation of the People Acts;
- (e) “the Panel” means a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority;
- (f) “relevant meeting” means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant officer; and
- (g) “relevant officer” means the chief finance officer, head of the authority’s paid service or monitoring officer, as the case may be.

2. A relevant officer may not be dismissed by an authority unless the procedure set out in the following paragraphs is complied with.

3. The authority must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.

4. In paragraph 3 “relevant independent person” means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.

5. Subject to paragraph 6, the authority must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph 3 in accordance with the following priority order—

- (a) a relevant independent person who has been appointed by the authority and who is a local government elector;
- (b) any other relevant independent person who has been appointed by the authority;
- (c) a relevant independent person who has been appointed by another authority or authorities.

6. An authority is not required to appoint more than two relevant independent persons in accordance with paragraph 5 but may do so.

7. The authority must appoint any Panel at least 20 working days before the relevant meeting.

8. Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular—

- (a) any advice, views or recommendations of the Panel;
- (b) the conclusions of any investigation into the proposed dismissal; and
- (c) any representations from the relevant officer.

9. Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act."

Report to: **Governance Committee**
Date: **28 April 2015**
By: **Director of Adult Social Care and Health**
Title of report: **Amendments to Constitution - statutory duties and powers of the post of the Director of Public Health**
Purpose of report: **To consider proposed amendments to the Constitution in relation to Public Health functions**

RECOMMENDATIONS

The Governance Committee is recommended to recommend the County Council to agree the amendments to the Constitution as set out in Appendix 1

1. Background

1.1 Responsibility for public health functions transferred to the Council in April 2013 under the Health and Social Care Act 2012. As part of the transition arrangements, specialist staff moved from the NHS to the County Council to establish a Public Health Team. The Public Health Team is managed by the Acting Director of Public Health who reports to the Director of Adult Social Care and Health. It is recommended that the statutory duties and powers of the post of Director of Public Health be set out in the Constitution.

1.2 Every local authority with public health responsibilities is required to employ a specialist Director of Public Health – appointed jointly with the Secretary of State for Health. This follows the return of a leading public health role to local government under the Health and Social Care Act 2012. The Director of Public Health is a statutory officer of the authority

1.3 In general the statutory responsibilities of the Director of Public Health are designed to match the corporate public health duties of the Council. The exception is the annual report on the health of the local population – the Director of Public Health has a duty to produce a report whereas the council has a duty to publish it.

1.4 The Director of Public Health has the following core statutory powers and responsibilities:

- Overall responsibility for all the Council's duties to take steps to improve public health
- Undertake any of the Secretary of State's public health protection or health improvement functions delegated to local authorities, either by arrangement or under regulations
- Plan for, and respond to, emergencies that present a risk to public health
- Undertake the Council's role in co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders
- Responsible for the Council's response as a responsible authority under the Licensing Act 2003, including making representations about licensing applications (a function given to local authorities by sections 5(3), 13(4), 69(4) and 172B(4) of the Licensing Act, as amended by Schedule 5 of the Health and Social Care Act 2012

- Dental public health functions
- If the Council provides or commissions a maternity or child health clinic, then to have responsibility for providing Healthy Start vitamins
- To be a member of the Health and Wellbeing Board
- To produce an Annual Report

1.5 The proposed amendments to the Constitution are set out in Appendix 1.

2. Conclusion

2.1 The Governance Committee is recommended to recommend to the County Council the amendments to the Council's Constitution as set out in Appendix1.

KEITH HINKLEY
DIRECTOR OF ADULT SOCIAL CARE AND HEALTH

Contact Officer: Tracey Houston
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Table 6

Scheme of Delegations to Officers

Summary of Contents

1. **General delegation**
2. **Delegations to Chief Executive and all Directors (excluding the Director of Public Health) listed in paragraph 3 below**
 - A. Financial
 - B. Land and Property
 - C. Personnel
 - D. General
3. **Delegations to particular Officers**
 - A. Chief Executive
 - B. Chief Operating Officer
 - C. Director of Communities, Economy and Transport
 - D. Director of Children's Services
 - E. Director of Adult Social Care and Health
 - F. Assistant Chief Executive
 - G. Chief Finance Officer
 - H. Director of Public Health

Delegation of Powers to Chief Executive and all Directors

Within the provisions of the Standing Orders and Financial Regulations of the County Council the following powers are delegated to Chief Executive and all Directors (including the Assistant Chief Executive but excluding the Director of Public Health) in relation to the services for which they are responsible. All references in these delegations to Acts or Regulations are to include reference to legislation amending or re-enacting the same. The operation of these delegations is subject to Standing Orders, the Code of Conduct and this Constitution.

Any interpretation of this Scheme of Delegations to Officers shall be in accordance with the Council's and the Leader's wish that the scheme shall not be construed restrictively.

H. Director of Public Health

To exercise all the powers and duties of the Director of Public Health (DPH) as stated in the Health and Social Care Act 2012:

To be responsible for all of ESCC's duties to take steps to improve public health.

To be responsible for the preparation of an Annual Report on the health of the local population.

To action any of the Secretary of State's public health protection or health improvement functions as delegated, either by arrangement or under regulations – these include services mandated by regulations made under section 6C of the National Health Service 2006 Act, inserted by section 18 of the 2012 Act.

To exercise ESCC's functions in planning for, and responding to, emergencies that present a risk to public health.

To be responsible for the ESCC public health response as a responsible authority under the Licensing Act 2003, such as making representations about licensing applications (a function given to local authorities by sections 5(3), 13(4), 69(4) and 172B(4) of the Licensing Act, as amended by Schedule 5 of the 2012 Act);

To exercise the Council's dental public health functions, with a view to improving oral health pursuant to the NHS Bodies and Local Authorities

If the local authority provides or commissions a maternity or child health clinic, then to have responsibility for providing Healthy Start vitamins (a function conferred on local authorities by the Healthy Start and Welfare Food Regulations 2005 as amended).

To be a member of the health and wellbeing board

To exercise such other public health functions as the Secretary of State may prescribe.

Report to: Governance Committee

Date of meeting: 28 April 2015

By: Director of Communities Economy and Transport

Title: Amendment to Constitution – Scheme of Delegation to Officers.

Purpose: To seek approval to change the scheme of delegation in relation to proposed changes to the Development Management Procedure Order.

RECOMMENDATIONS: The Governance Committee is recommended to recommend the County Council to agree to amend the scheme of delegation as set out in paragraph 2.4

1. Background

1.1 The Flood and Water Management Act 2010 (FWMA) was enacted following the report of Sir Michael Pitt examining the impact of the floods of the summer of 2007. This included recommendations covering the management of flood risk, the response to the event and the recovery phase. The FWMA designated upper tier authorities (e.g. County Councils) as Lead Local Flood Authorities (LLFAs) with a range of responsibilities, amongst these was to act as the Sustainable Drainage Systems (SUDS) Approving Body. Developers under these arrangements would have had to submit a separate application for drainage approval. The process was intended to be supported by application fees which could be partly used to provide the technical resource necessary to process applications. A major issue was identifying how to fund the ongoing monitoring and maintenance, because any system the Council approved, it would then be obliged to adopt and maintain in perpetuity. Agreeing a sustainable funding regime to maintain drainage systems has proved difficult for DEFRA to resolve.

1.2 Commencement of the Approving Body role has been anticipated for some time but has been delayed by Government on a number of occasions. The Government has now indicated it intends to take an alternative approach to the one envisaged in the FWMA. It now wishes to deliver SUDS through changes to the current planning regime.

2. Supporting Information

2.1 As a consequence of this significant change of direction, the Government announced a strengthening of the planning system to expect the installation of SUDS as the drainage solution for major development. The Government has laid before Parliament, the Town & Country Planning (Development Management Procedure) Order 2015 (DMPO) which has provisions for statutory consultees in relation to planning applications. The DMPO makes LLFAs statutory consultees on certain planning applications. The DMPO comes into force on 15 April 2015.

2.2 As a statutory consultee, the County Council will be obliged to comment upon all consultations on “major” planning applications from the Districts and Boroughs, the South Downs National Park Authority, and ESCC in relation to surface water drainage matters. The County Council is also required by the DMPO to report annually to Government on our performance in responding.

2.3 Current estimates indicate that we can expect to be consulted on some two hundred planning applications each year. These cases will range in scale and complexity, and will involve assessing the surface water drainage aspects of development proposals. It is intended that each application will have to be responded to, within a 21 days consultation period.

2.4 Given the technical nature of the subject matter, the large number of consultations expected, and the three weeks consultation period, it is proposed to delegate authority to the Director of Communities, Economy and Transport to represent the County Council as LLFA to all consultations on drainage

aspects the County Council will receive from the planning authorities in East Sussex and that the following delegation be added to the scheme of delegation for that post in the Constitution:

“To respond to the relevant planning authorities on behalf of the County Council as Lead Local Flood Authority in respect of any statutory or other consultation in relation to the drainage and local flood risk aspects of proposals in applications for planning permission.”

2.5 There are no specific financial implications arising from the recommendations in this report for delegation.

3. Conclusion and Reason for Recommendation

3.1 The new responsibilities require the County Council to carry out technical drainage assessments in response to consultations on planning applications. There is a need for the County Council to respond efficiently within the proposed 21 days consultation period. Therefore, it is recommended that the Director of Communities Economy and Transport be granted delegated authority to respond as LLFA under the new proposed statutory obligations arising from the Town & Country Planning (Development Management Procedure) Order 2015.

RUPERT CLUBB

Director of Communities Economy and Transport

Contact Officer: Tony Cook

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LOCAL MEMBERS:

All

BACKGROUND DOCUMENTS

None

Report to: **Governance Committee**

Agenda Item 11

Date: **28 April 2015**

By: **Chief Operating Officer**

Title of report: **East Sussex Pension Board – Nomination/Appointment of its Members**

Purpose of report: **To agree the appointment of Pension Board members in compliance with the new arrangements for the administration of the Local Government Pension Scheme (LGPS) in East Sussex.**

RECOMMENDATIONS – The Governance Committee is recommended to agree to the appointment of the East Sussex Pension Board members as set out in the report.

1. Introduction

1.1 The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 require each Administering Authority to establish a *Local Pension Board* by 1 April 2015 for the purposes of “assisting” the Scheme Manager (East Sussex County Council).

1.2 The County Council established the Board in time for the 1 April 2015 start date in compliance with the regulations. At its meeting on 2 December 2014 the County Council agreed to establish a local Pension Board and agreed its draft terms of reference. The County Council agreed to delegate authority to the Governance Committee to (i) determine the selection process for appointment to the Pension Board and (ii) appoint to, and remove from, the Pension Board. At its meetings on 16 December 2014 and 10 March 2015 the Committee agreed the appointment process for the Board.

2. Pension Board appointment process - outcome

2.1 The Shadow Scheme Advisory Board issued guidance on the creation and operation of local pension boards. Each employer or member representative on a Local Pension Board will potentially represent a significant range of employers or members (as appropriate).

2.2 The direct appointment process has been used to select employer representatives as outlined in previous reports. Three candidates have been nominated to participate -

- 1. Sue McHugh – Chief Operating Officer, University of Brighton**
- 2. Councillor Brian Redman - Wealden District Council**
- 3. Councillor Andrew Wealls - Brighton & Hove City Council**

2.3 The appointment of scheme members’ representatives was made through representative organisations, and a formal selection processes for a Pensioner Member. The proposed representatives are:

- 4. Angie Embury - UNISON**
- 5. Karen Cooke - GMB**
- 6. Tony Watson - Pensioners representative**

2.4 The Regulations also allow for the appointment of other members, and through a formal recruitment process, the scheme manager has appointed an independent member to the local pension board. The successful candidate is -

- 7. Richard Harbord – Independent Chair**

2.5 The Board members have all received copies of the role description for a pension board member and the terms of reference. The scheme manager is responsible for ensuring that appointees have access to training in order to acquire a broad knowledge and understanding as required by the regulation.

2.6 Following these appointments, an induction session will be arranged; where members of the pension board will be provided with training on the role of the pension board, their responsibilities and an overview of their work program.

3. Conclusion and reasons for recommendations

3.1 The Committee is recommended to agree the appointment of the Pension Board members as set out in the report.

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Ola Owolabi, Head of Accounts and Pensions, 01273 482017
ola.owolabi@eastsussex.gov.uk

Local Member(s): All

Background Documents
None