

Why Public Concern at Work?

Because we believe the public interest can be safeguarded by properly addressing individual concerns about serious malpractice at work.

Public We can only help with a concern that something seems to be seriously wrong, illegal or dangerous which threatens the public interest.

Concern A serious concern raised in good faith should be looked into before any damage is done.

At Work Those at work are often the first to realise something may be going wrong and the best to sort it out.

For further information

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The picture on the front cover is taken from *The Floor Strippers (Les Raboteurs de Parquet, 1875)* by the French impressionist Gustave Caillebotte. Parquet is also the name for an administrative body which deters, investigates and acts on crime and serious malpractice. The picture is reproduced by permission of the Réunion des Musées Nationaux in Paris and with the help of Conrad Dehn QC.



This Annual Report, which cost £3 to produce, has been sponsored by Rufus Leonard.

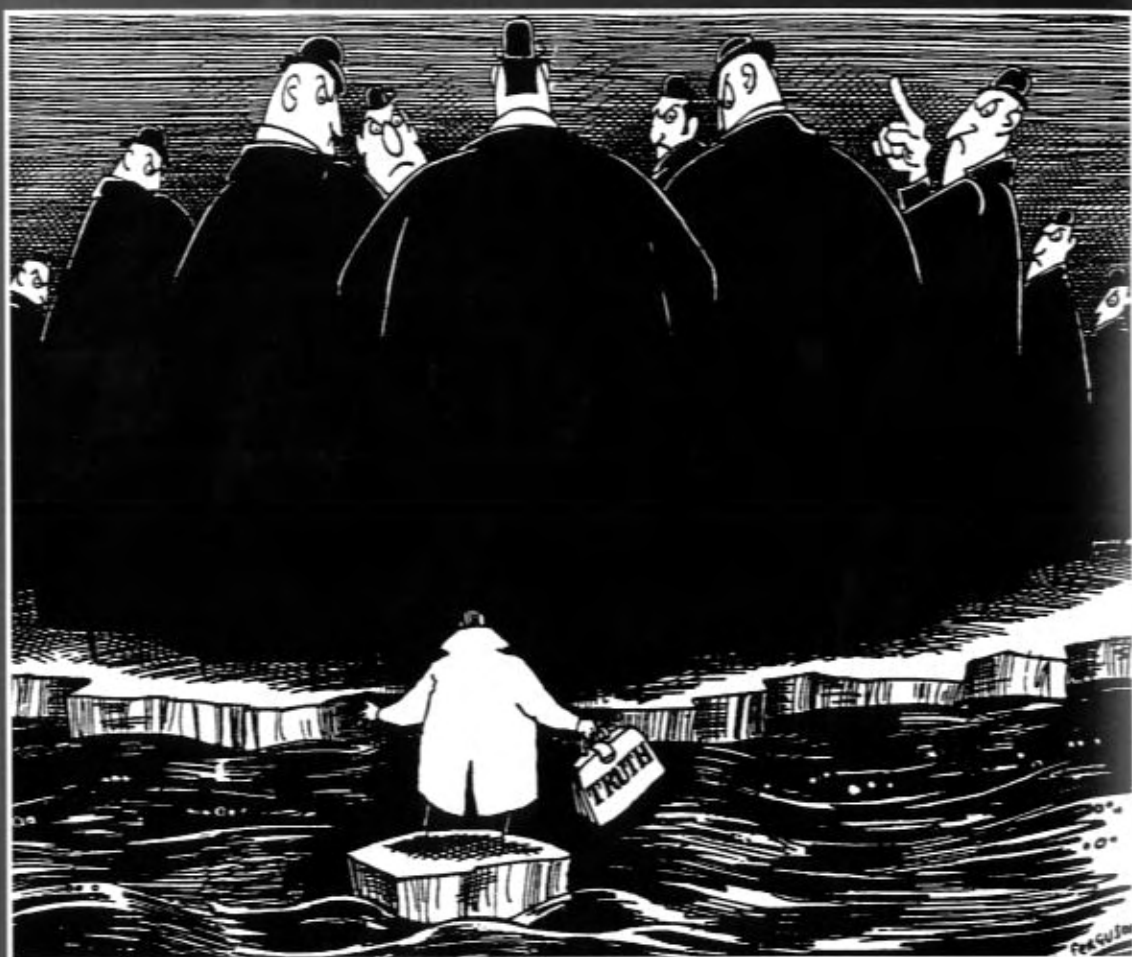
**Public
Concern**
at work

Public Concern at Work First Annual Report

1994

Lincoln's Inn House, 42 Kingsway, London WC2B 6EN
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Cartoon from the Financial Times by Ferguson reproduced by kind permission.

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The need for whistleblowers

Time and again inquiries into disasters and scandals show that employee concerns about the dangers were either not raised or not heeded.

Ferry Disaster Five times before the disaster at Zeebrugge where 193 people died, staff had warned middle management about the ferries sailing with their bow doors open. (1987)

Oil Rig Explosion The report into Piper Alpha where 167 people died found that workers feared they would put their jobs on the line if they raised safety issues. (1988)

Clapham Rail Crash The report into the crash where 35 people died and 500 were injured found that a Supervisor had noticed the loose wiring a few months earlier, but did nothing because he did not want to "rock the boat". (1988)

£2bn BCCI Fraud The official inquiry into the BCCI collapse found the bank had an autocratic environment in which no one dared to speak up. (1991)

Child Abuser For 13 years, countless children in care were assaulted and sexually abused by Frank Beck. He received five life sentences. On at least 30 occasions concerns had been raised about Beck's behaviour but to little effect. (1991)

Whistleblowers Victimised The official inquiry into a brutal three year regime of physical and mental abuse at a mental hospital reported that the few staff who were brave enough to speak out were attacked, their property vandalised and they received death threats. (1992)

£34m Insurance Loss Roger Levitt's insurance group collapsed in 1990, leaving unpaid debts of £34 million and hundreds of conned investors. For years employees had suspected malpractice, but they did nothing about it. (1993)

Cancer Scare 2000 patient records had to be re-examined after an enquiry discovered serious misdiagnosis in cancer cases. Though two consultants had expressed doubts about the diagnoses, they didn't formally raise their concerns. (1993)

Canoe Drowning Months before four school children drowned in a canoeing accident in the bay at Lyme Regis, two instructors wrote to the centre's Head, graphically warning that some children might lose their lives. This warning was critical to the Head's conviction for manslaughter and three year jail sentence in December 1994. (1993)

Beverley Allitt The report into the murder of four children by nurse Beverley Allitt found that, although concerns were voiced, nobody pieced the bits together and sounded the alarm. (1994)

Foreword

In its first year, Public Concern at Work has made an excellent start informing and influencing the debate about corporate and public governance both in the UK and further afield.

The public benefit in seeing that serious concerns about dangers and malpractice at work are raised and addressed was the reason the Trust was set up. The response to the helpline and the success of the legal advisory service have established the clear need for such a service and have earned the Trust the popular title of "the whistleblowers' charity." Turning from the public benefit to the individual clients, it is a matter of some pleasure to the Council that the staff have achieved such high levels of customer satisfaction among people who have been let down elsewhere.

As to the coming year, Public Concern at Work is well placed to build on its initial success. In particular the Council hopes that the demand for the Trust's educational, training and conciliation services will grow as organisations in the public, private and voluntary sectors recognise the practical value of our message.

On behalf of the Council and staff, I thank Sir Gordon Borrie and his fellow trustees for the skill and care with which they have discharged their duties. On behalf of everyone involved in the Trust and its clients, I thank those whose generosity, commitment and support has enabled the charity to offer its services.



Lord Oliver of Aylmerton PC *Chairman of the Council*

Highlights of the year

By the end of the first year the need for an independent, public interest charity in the field has been clearly established :

Informing the debate:

The Audit Commission has adopted our guidelines on creating an anti-fraud culture in organisations;

An Australian Senate report has called for a body modelled on the charity to be set up there to provide practical help and influence public policy;

The European Commission has commissioned us to produce a report on ways to prevent and control frauds on the EU budget;

We have won the backing of over twenty leading organisations in the United Kingdom; and

We have published two research papers on governance issues in specific sectors and two reports on the advisory service.

Providing practical help:

1,500 enquiries about the charity's services were received;

We have dealt with over 600 requests for legal advice about malpractice at work;

386 clients concerned about public dangers and serious malpractice in the workplace have received free legal services;

61% of clients followed our advice;

88% of helpline clients expressly recommend the service;

No client who sought advice on how to raise a serious concern has been victimised;

We launched a successful challenge to a gagging injunction in the High Court;

Compensation awards up to and including the statutory maximum have been secured for our clients; and

Training sessions and workshops have been delivered to senior managers and staff from over twenty-five organisations.

Review of the year

On the facing page we set out the highlights of the year which show that this has been a demanding and rewarding first year. Although at the time the staff and trustees felt frustrated by the delay while the Charity Commission considered our application for charitable status, this was to prove something of a godsend as it ensured that we were well prepared for the many and varied calls that we have received since our launch in October 1993. It was a matter of some pleasure that, despite their earlier reservations, the Chief Charity Commissioner selected us as the example of a modern charity which meets and develops the public interest, in his contribution to the recent debate on the future of charities.

Faced with the level of the demand we have received, inevitably our resources have been severely stretched over the year as we have sought to meet calls for advice and help, while establishing the charity and raising the funds that allow us to offer our services. We enter 1995 with a staff complement of six and we will need to expand further if we are to meet the demands on our legal advisory services and develop our research and educational activities.

While we join Lord Oliver in thanking all our supporters, we are particularly grateful to the Joseph Rowntree Charitable Trust and the Baring Foundation for their generous support in helping to meet our core costs over the next three years. This not only provides a secure base from which we can build, but it helps guarantee both our independence and our integrity. The trustees are resolved to ensure that over the coming years the charity will continue to run a tight ship and provide excellent value in all our services.

Although the activities of Public Concern at Work are covered in some detail in this report, I want to take this opportunity to explain a few points about our general approach. The charity's legal services, which have been recognised by both the Bar Council and the Law Society, mean that employees can discuss their serious concerns with us in confidence and without fear. As the comments on page 20 show, this service has been both timely and welcomed. However Public Concern at Work is not an employees' organisation. We are a public interest charity and our overriding objective is to promote and further the public good. We seek to achieve this by focusing on the responsibility of those in work and the accountability of those in charge.

This means that although the charity applies a merits test to its clients' concerns (to weed out vexatious and frivolous concerns and private grievances), we are concerned primarily with the process rather than the substance of the concern. Our aim is to ensure that the concern is raised so that it can be addressed by those in charge of the organisation or, where necessary, by the regulatory authorities. Once those in charge have notice of the concern, the onus is on them to look into the matter, ascertain whether it is well-founded and take appropriate action. One powerful deterrent against abuse or irresponsibility is the knowledge that those who have notice of the concern may be called upon to account for their action should any malpractice cause damage. This accountability, as much to their stakeholders as to the media or the courts, is how we strive to secure the public interest.

About Public Concern at Work

Public Concern at Work is a charity which is totally independent of Government

Our objects are:

To promote good practice and compliance with the law in the public, private and voluntary sectors.

We do this by focusing on

The accountability of those in charge and the responsibility of those at work.

Our strategy is to:

Provide free and confidential help to employees and others concerned about serious malpractice and public dangers in the workplace;

Encourage employers to set up procedures for employees to raise serious concerns about dangers and malpractice;

Seek to ensure that employees can use those mechanisms without fear of victimisation and in the knowledge that their concerns will be addressed;

Publicise good practice in all sectors;

Conduct research into issues of public and corporate governance; and

Encourage people to play their part in preventing and avoiding serious danger and harm to the public good.

Although we do not have the resources or specific powers to investigate the substance of each concern, by witnessing the employee's concern our presence can ensure that the organisation considers the matter properly and objectively and deals with the message and not the messenger. It is our view that, unless those in charge do address serious concerns and recognise the loyalty of those who raise them, it is likely that colleagues will not bother to sound the alarm on other malpractice, however serious the consequences may be.

We have been fortunate that so far none of the clients who sought and followed our advice on how to raise concerns has been victimised. However, much of our advisory work during the first year has been on cases where we have been asked to limit or block moves to victimise an employee who has already spoken up. While we have had considerable success, it has not been possible to undo all the damage that has been done. While the individual may appear to bear much of that damage in the short term, our experience to date – backed up by subsequent events – suggests that the predicament of the whistleblower is often a microcosm of the general state of the organisation. In two cases which involved leading listed UK companies we had to intervene because the organisation's response had been to take it out on the whistleblower rather than to investigate the concern. It has not escaped our notice that both companies have subsequently faced major internal problems which have come to public attention and have inevitably affected the work force, senior management and share values. Over the coming year we will be interested to see if this pattern is repeated.

Turning from the legal advice work, this report shows the progress we have made in informing and influencing the debate on whistleblowing, self-regulation and issues of governance in both the corporate and public sectors. With the continued backing of leading companies and the support of bodies such as the Audit Commission we are well placed to help organisations across the public, private and voluntary sectors to develop a culture which allows potential problems to be identified and dealt with before serious damage is done.

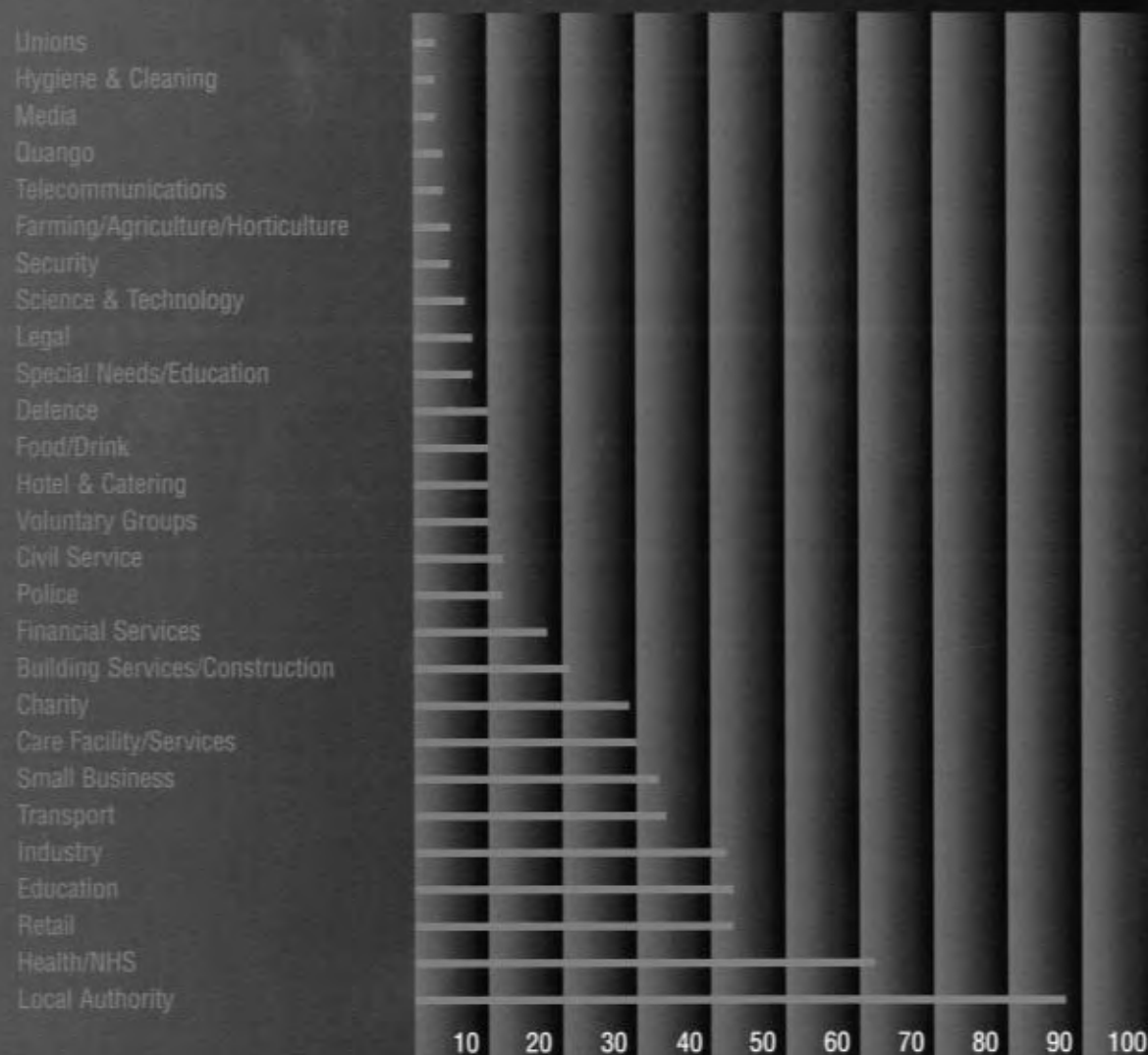
Finally, on behalf of the trustees, I would like to thank all the staff and the Director, Guy Dehn, for their dedication, good humour and hard work.



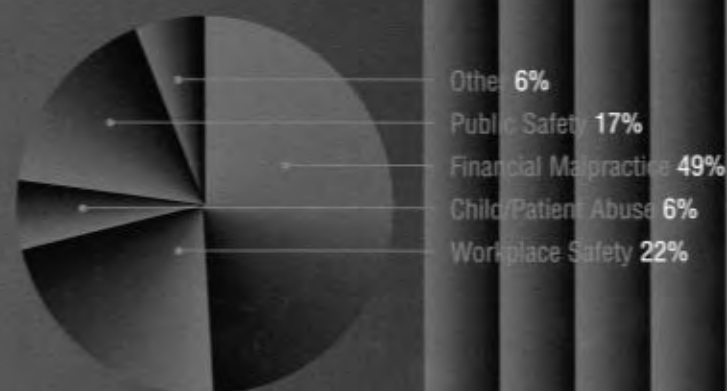
Sir Gordon Borrie QC *Chairman of the Trustees*

Source and Nature of Concerns

Source of Concerns received during the year



Nature of the Public Concerns



The Advisory Service

Source of the concern During the twelve months after our launch (to 14 October 1994) the charity received over 1,500 enquiries, including 620 requests for legal advice. 51% of these concerns related to the private sector, 38% to the public sector and 11% to the voluntary sector. The bar chart opposite provides further details on the source of the concerns.

Nature of the concern Of the 620 concerns, 386 were classified as public concerns. This means that they involved allegations of serious malpractice which threatened the public or amounted to a serious breach of law. A breakdown of these concerns is shown in the pie chart at the foot of the facing page.

Nature of the problem One quarter of the clients with public concerns had yet to raise their concerns. It is with these cases that we are most effective as we can advise these clients how to raise the concern without jeopardising their own position. To date none of this group has been victimised. Of the public concerns, one half of the clients had recently raised the matter but felt it was not being properly addressed or feared they were being victimised because they had spoken up. In these cases we try to ensure that those in charge understand that if the messenger is victimised or ostracised it is less likely that colleagues will raise serious concerns in the future, and that there may be damaging legal or other consequences for the organisation itself as a result. The remaining quarter are people who related to us their past experiences of whistleblowing and the detriment they have suffered since. These cases help to inform our work by providing a fuller picture of the risks and obstacles involved.

The services offered 48% of the clients were dealt with by the helpline adviser, 14% were referred on to other agencies and 37% were handled by in-house lawyers. There were fifty-six case conferences at the charity's offices and thirty-one clients received extensive legal assistance. In one case a High Court injunction was successfully challenged and in another the client appeared anonymously on a BBC Newsnight item concerning suspect new practices in the care of autistic children. Seven clients were assisted with legal claims for compensation and were awarded sums up to, and including, the statutory maximum of £11,000.

How do people know about Public Concern at Work? The advisory service and the charity's general work are publicised through the media, largely on the back of its published research papers and reports. However the main source of calls to date has been publicity in Citizens Advice Bureaux and independent advice agencies. Most of these enquiries were from people who had already raised the issues with their employers. In December 1994, 40,000 posters were distributed to GPs for display in doctors' surgeries throughout the UK.

Creating the Right Environment Good Practice Guidelines

Employees will often be the first to see or suspect misconduct, which may be innocent or which may turn out to be serious financial malpractice in your organisation. Making sure your employees keep their eyes open and can and do play their part is an important element of any strategy against fraud and corruption. If you successfully involve your employees, it should give a clear message to those who are tempted that they won't get away with it.

Setting the context:

- 1 Involve your employees, listen to their sense of right and wrong. Explain what fraud and corruption are, their effect on their jobs and the services they provide.
- 2 When you find corruption or fraud (whether by employees, contractors or the public), deal with it seriously. You can't expect your employees to practice higher standards than those you apply.
- 3 Make it clear that the organisation is committed to the fight against fraud and corruption, whether the perpetrators are inside or outside.
- 4 Make it known how seriously you treat the issue. If employees don't have the confidence that you will tackle the problem, they won't tell you about it.
- 5 Employees need to know what practices are unacceptable (e.g. as to hospitality, gifts). They should ask management if something is appropriate before the event – not afterwards.
- 6 Get the unions to back and promote this approach.

Be open to concerns:

- 7 It is never easy to report a concern about financial irregularities, especially where it may turn out to be fraud or corruption.
- 8 Try to ensure that management is open to such concerns before they become part of a grievance and do not let management's lack of action itself become a grievance.
- 9 Make it clear that you will support concerned employees and protect them from reprisals. Do everything you can to guarantee their anonymity.
- 10 Aside from line management, make sure employees have another route to raise a concern within the organisation. This could be to the Chief Executive, the legal office or the internal auditor. Tell employees by posters, memos or messages on their pay slips how they can contact that person in confidence. And remind them of other safe routes if they do not have confidence to raise the concern internally, such as the external auditor or Public Concern at Work.

Dealing with concerns:

- 11 Remember there are two sides to every story.
- 12 Respect and heed legitimate employee concerns about their own safety or career.
- 13 Emphasise to both management and to staff that victimising employees or deterring them from raising a concern about fraud or corruption is a serious disciplinary offence.
- 14 Make it clear that abusing this process by maliciously raising unfounded allegations is a serious disciplinary matter.
- 15 Offer to report back to the concerned employee about the outcome of the investigation and on any action that is proposed.
- 16 If you find fraud, call it fraud.

Work with Organisations

The charity attaches as much importance to its work with organisations as it does to its free legal services and its research programme. This is because the work with organisations is central to our educational activities. The more that organisations recognise the critical importance of employee concerns, the better able they are to prevent or minimise any unwarranted danger to the public or to their stakeholders.

Training and workshops We have provided five training sessions and workshops during the year. These were largely aimed at senior managers, though in our training sessions we strongly recommend that employee representatives are also involved. We have provided closed sessions to two NHS Trusts and our open workshops were attended by senior officers from such leading organisations as the Bank of England, Co-operative Wholesale Society, Coutts & Co., KPMG Peat Marwick, Lloyds of London, Midland Bank, the National Audit Office, NatWest, Norwich Union, Prudential, W. H. Smith and the Cabinet Office. On page 21 we describe feedback from these sessions.

Conciliation During the year there were no specific requests for our confidential conciliation services, though we have had cause to employ these skills in several cases. This is an important service because organisations are often confronted with intractable and seemingly insoluble problems which may involve employees who have spoken out and are no longer welcome among their colleagues, or where concerns have been raised inappropriately or even maliciously. In such cases our independence and our specific remit to safeguard the public interest can help defuse the situation and conciliate the matter with the confidence of both parties.

Consultancy While we have been contracted to brief senior officers in both the public and private sectors on our work and how employee concerns should be handled, the most notable consultancy has been with a local authority, which sought our help to improve the way in which caring services were delivered to their clients. The authority had decided, with a local independent community group, to replicate our services in their specialist field so that employees could raise concerns outside the management structure. In particular, the community group and local authority wanted our assistance in establishing the detailed relationship between themselves, so as to ensure their respective independence and accountability.

Work with supporters On page 25 we explain how we maintain close links with our key corporate supporters. Other corporate bodies who make donations or subscribe to the charity become associate members of the company and every other year are consulted on our work. Accordingly, during 1995, we will be consulting these supporters as to how we can best promote and develop our services.

Case Studies

Around noon one Friday in early Summer we were contacted by two employees at a pleasure park. They had just handed in their notice as they considered the public were being placed in real danger.

The roller coaster of Health & Safety

The previous day there had been a minor incident on a ride due to a defect in the fifth brake on the track. They had recorded the matter in the safety book. On the Friday morning not only had the defect not been remedied, but an electrical fault had developed which constantly triggered the emergency brakes and halted the ride. Because of that fault the men were told to run the ride on manual override even though this bypassed the inbuilt safety measures. When they were told to sign the ride off as safe that morning they refused, repeating their concerns. When management responded by bringing other colleagues over to run the ride, the two men walked off site.

The men expressed no interest in bringing a claim for compensation; they simply wanted to ensure the public danger was averted. The concerns were such that it was appropriate to alert the Health & Safety Executive (HSE) to the dangers. They said the earliest they could get to the site was the following Wednesday. With several thousand visitors expected over the weekend, we were concerned that their intervention might be too late. With our clients' agreement, we faxed the managing director of the park, setting out the concerns and asking him to:

"satisfy yourself at the earliest opportunity that the ride is reasonably safe and that all health and safety requirements are complied with. The potential dangers of rides such as this are grave and I hope you will agree that you should err on the side of caution even if some of your customers will be disappointed for a short while." We added that the letter was also being faxed to the HSE.

On the Monday morning we received a brief faxed reply from the park denying all the allegations. We were also rung by the HSE and told that they were bringing forward their inspection. However the HSE explained that, due to statutory restrictions on disclosure, they would not be able to notify us or our clients of the outcome of their inspection.

Over the following months there were several tragic incidents at pleasure parks across the country. Fortunately none occurred at this particular site.

Unannounced, a man arrived at our office with a solicitor's letter which threatened him with an injunction unless he immediately gave a written undertaking to make no disclosures whatsoever about his employers and to return any documentation he might have about their affairs. He was a credit controller in an insurance company who was concerned that his employers were engaged in a million pound fraud. When he had raised his concerns internally, he had apparently been threatened.

Gagging the Public Interest

It transpired that the previous day he had been referred by his local police station to the Metropolitan Fraud Squad, to whom he had passed all the papers he had. We liaised with the officer involved and were told that the allegations were being taken seriously and investigations were underway, and that any immediate legal action would be unwelcome. We responded to the solicitor's letter giving an undertaking that the client would make no unlawful disclosures (this would not prevent him from assisting the police or regulators) and that he was not then in possession or control of any of his employer's documents.

As to our client's own position, his employers initially claimed he had resigned but then they changed their mind and asked him to come to a disciplinary hearing. However as they were unable to satisfy the client of their good intentions, he declined to attend and his contract was terminated. We then initiated proceedings for wrongful and unfair dismissal at the industrial tribunal (IT).

Several weeks later The Fraud Squad decided that a criminal case of fraud could not be made out and, unknown to the employers, they passed the papers to the Department of Trade and Industry (DTI) and Lloyds of London as the appropriate regulators. Our client, however, became frustrated by the slow course of events and shortly after his claim was filed at the IT he circulated various papers about his unfair dismissal case and the interest of the regulators in his former employers.

A day after we learned of this, an injunction was served at our offices. His former employers had obtained an ex parte injunction from the High Court, which amounted to a total gagging order. It not only prevented him from pursuing his IT claim, but it also stopped him from assisting the regulatory authorities with their continuing enquiries.

We moved immediately to challenge the injunction and instructed solicitors and Queen's Counsel on his behalf. Supporting letters of concern from both the DTI and Lloyds helped emphasise the public policy issues involved.

At the door of the Court the case was settled and the injunction relaxed to allow our client to assist the regulatory authorities with their investigations and to pursue his IT case. Turning from the public concern to the client's own rights, the parties went on to settle his claim for the statutory maximum of £11,000 and an agreed reference.



THE INDEPENDENT

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MONDAY 4 JULY 1994

The need to encourage the whistle-blowers

LOYALTY is not a simple concept. If you believe that your boss is corrupt, your company negligent or your government untruthful, true loyalty may involve a technical act of betrayal. Loyalties to people, principles and institutions often clash. Yet the whistle-blower, no matter how honourable his or her intentions, or how vindicated by results, is often treated like the schoolchild who sneaks to teacher. Many human tragedies ensue, and many abuses remain unreported.

Public Concern at Work is a charity set up last year to provide legal advice to whistle-blowers. In its first six months, according to its report published today, 260 people sought legal advice, of whom 70 per cent were concerned about serious illegality or dangers in the workplace. They came equally from the public and private sectors, and 12 per cent from the voluntary sector.

The report makes melancholy reading, with its cases of loyal employees victimised for reporting abuses that may be costing the firm money or endangering lives. Many managers, it says, go for the messenger rather than dealing with the message. "The prevailing culture in many organisations in the UK," it laments, "is that staff should

mind their own business, come what may." The report contrasts practice in the United States, where some leading companies now reward their staff for reporting financial malpractice. Even there, however, there have been many cases of whistle-blowers being victimised, going bankrupt and attempting suicide — and of others who have delayed reporting fraud in order to maximise their reward.

Punishing the messenger has always been a shortsighted reaction to bad news. Enlightened institutions need a balance between the healthy group loyalties that are necessary to any organisation, and the checks and balances which ensure that these do not protect corrupt or negligent members. They also need procedures for weeding out malicious cranks who are bound to exploit complaints procedures.

In its short life, Public Concern at Work has done valuable work in helping individuals and raising awareness of the problem. Broader change will not come until more companies and institutions come to see that it is in their own interest to encourage staff to report abuses. Many well-known scandals and disasters could have been avoided if that had been better understood.

Informing the Debate

The debate about whistleblowing in the UK dates back twenty years to the cases of Stanley Adams and of Lesley Chapman. The link between whistleblowing and self-regulation was developed in Marlene Winfield's book *Minding Your Own Business*, (Social Audit, 1990). This report which was the result of research funded by the Nuffield Foundation led to the establishment of Public Concern at Work. The research and the response to it benefited from the personal endorsement of the then Director General of the CBI, Sir John Banham.

In the NHS While the charity was being set up, we responded to the draft *NHS Guidelines on Whistleblowing* which the Health Secretary had issued following the cases of Dr Chris Chapman, Graham Pink and Dr Helen Zeitlin. We expressed our serious concerns about a number of aspects of the draft and were pleased when many of these points were taken on board in the final document.

In the European Community In the Summer of 1993, we were invited to give evidence to the European Parliament Budget Committee on fraud on the Community budget. Our recommendation that there should be a trial fraud 'hotline' in Member States was taken up by the Parliament and has since been implemented by the Commission. We have subsequently been commissioned to analyse the risks and opportunities employees face in different Member States over raising concerns about fraud.

In Australia In August 1994 an Australian Senate Committee published a 250 page report on whistleblowing entitled *In the Public Interest*. This called for a body modelled on Public Concern at Work to be established out of private, public and voluntary funds. While this report proposed legal protection for whistleblowers (a tort of victimisation), it also emphasised the need for a cultural and attitudinal change to 'dobbing'.

In the media We have been both assisted and encouraged by support from the media which has not only helped to promote our message, but has also informed the public of our services. During the year the charity has featured on *Newsnight*, *Channel 4 News* and the *Today Programme*, as well as on numerous current affairs and regional programmes on both radio and television. Our work has featured in the *Guardian*, the *Financial Times*, the *Daily Telegraph*, the *Sunday Telegraph*, the *Times* and the *Independent on Sunday*. We were particularly fortunate with the coverage we received from the *Independent* which published the editorial reproduced on the facing page.

In education We have provided speakers for a number of educational establishments and other organisations during the year addressing trainee nurses, personnel managers, union officials, further education college students, internal auditors and local authority managers.

The Research Work

It is through our research work that we aim to influence the public debates on accountability, deregulation and corporate and public governance. As an independent organisation able to draw on the unique practical experience of our advisory and consultancy services, we are well placed to participate in and inform these debates. We do this through our series *Speaking Up by Sector* which looks at governance issues in specific fields and through special papers.

Speaking Up by Sector: No. 1 looked at **Police Misconduct**. We believe that public confidence in the police can only be maintained if they are seen to be able to keep their own house in order. Yet a survey of reported cases of police malpractice in the past three years showed how rarely police officers had restrained or reported the misconduct. Those few cases where they had spoken up showed how unwelcome their actions had been to their colleagues. Although loyalty is essential to an effective police service, the 'canteen culture' has confused loyalty to the job with an almost blind allegiance to colleagues and superiors. Our report, which made recommendations on how the police can approach this difficult issue and on how police disciplinary procedures should develop, has been purchased by numerous police forces and the Police Complaints Authority.

Speaking Up by Sector: No. 2, which was commissioned by the Audit Commission, looked at **Financial Malpractice in Local Government**. This looked at the changes which have affected local government over the past decade, at the way its affairs are supervised and at public perceptions about fraud and corruption among its officers and politicians. The report contained examples of employees' concerns which had been raised with us and district auditors and included practical advice on the way forward with a checklist, the key points of which appear on page 12. This checklist was adopted by the Audit Commission in its report on local government and has been reproduced in its study on *Probity in the NHS* as practice that should be followed by NHS trusts.

Speaking Up by Sector: No. 3 will look at **Efficiency in Defence Procurement** and will be published early in 1995. The fourth report in the series will examine the law and practice affecting whistleblowers across Europe, as part of a study commissioned by the European Commission on **Preventing and Deterring Fraud on the Community Budget**.

Due to the pressing – and often urgent – demands on our advisory services, our research programme has not received the time and attention through our first year that it requires. The trust is now seeking to raise the resources necessary to appoint a full-time senior officer fully committed to this work.

Jim Smith's allegation of contracting irregularities was vindicated, yet he lost everything. Richard Donkin reports

Whistleblower's cautionary tale

Canteen culture protects police, claims report

An ear for the whistle-blowers

Concerns on council fraud 'not met'

Safe haven for workers who blow whistle

Scandals that need not have happened

But is it in the public interest?

Whistleblowers spotlight fraud at work

Brussels sets up hotline to combat funding fraud

Client Feedback

very knowledgeable – more than the law centre ... better qualified and sympathetic whilst being realistic. *I hope you get the funds to continue – the workplace really needs someone like Public Concern at Work.* I believe this is a much needed service and I hope it will be maintained. *Keep up the good work.* My telephone conversation with you in advance of the meeting was most empowering because you advised me of the legal position, and you gave me practical advice as to how I should proceed. *Because I contacted your organisation this was enough to make my employers review the situation. ...very helpful and patient ... a good listener ... I am sure your advice would be helpful to a lot of people ... always returned calls promptly... ..extremely patient and understanding ... dealt with at a very personal and professional level. ...wish you had existed earlier...* I am indebted to you, for without your commitment and connections I would have been in big trouble. *...invaluable advice which was not adversarial ... supportive through the trauma...* If people knew more about you, you would be swamped ... people would feel more secure in the knowledge of your existence. *...very impressed by the amount of information you wanted before you would take on the case ... confidence in the knowledge the case would be followed through ... gave me the courage to do something about my problem ... the bosses are taking liberties at the moment – you help to prevent them.* You and your friends really deserve a gold medal for the work you do – honest, you are absolutely wonderful people. *...pleased you followed it through as I relied on you.* Every aspect was thoroughly covered. *...came back with further information which reassured me. ... nice to have an independent service ... the talking and conversation help to clear things in my mind ... have the ability to listen...* I feel that you and your staff have put a great deal of effort into reviewing my case and coming to an accurate understanding of the issues involved. As a result I have felt supported and well advised in what has otherwise been an extremely lonely and stressful experience. *...good the way you followed it up by phone calls... ..nice to have someone to listen to my concerns. ...very impressed with the understanding ... the adviser seemed very keen, interested and professional. ...objective and professional advice; the little people need someone who will listen ... only place to see my point of view. ...I came away knowing the risks. ...clarified my position and gave me direction. You could not have done any more. First class support. ...very impressed you understood my problems...*

Monitoring our work

Feedback on the helpline Twice a year we conduct a survey of people who have sought advice from the charity to see how they viewed the services we offer. The surveys enable us to find out whether the clients understood the advice we gave, whether they followed it and what the result has been. It also gives us ideas as to how we can improve our services. 268 clients took part in the feedback surveys. The results were that:

78% Found the adviser helpful.

88% Would recommend the service.

61% Took the advice we gave.

On the facing page we set out a selection of comments from our clients.

Feedback from employers While we believe it is best if our clients raise their concerns themselves, situations have arisen where it has been necessary for us to intervene directly with employers. In these cases we have been able to ensure that the concern is properly addressed and we have had some success in preventing or limiting the victimisation of the concerned employee. On the whole where we have dealt directly with employers, they have viewed our contribution with respect and gratitude. In one case we were thanked for having stopped a substantial fraud in the environmental waste business approaching half a million pounds; in another, a leading company tightened up its supervision of a major supplier; and in a third, KPMG were called in to review the whole affair. In three cases employers have subsequently asked us to comment on the organisation's procedures.

Feedback from training and workshops During the year we ran five training sessions and workshops for senior managers in both the public and private sectors. These are offered both as closed sessions or at open half-day sessions held at our London offices. Below we set out some of the comments from delegates:

“A very useful session”

Training & Development Manager

“An excellent opportunity to share ideas in an informal but structured way”

Senior NHS Trust Executive

“Very interesting and worthwhile”

Personnel Manager

“Particularly important issue for small and medium-sized firms”

Major Bank Strategist

“Most useful to work with other general managers discussing practical measures”

General Manager NHS Trust

Income & Expenditure

Income

Money Received for the First Year



£154,295

Expenditure

Staff

Employees	£39,216	
Other Personnel	£38,494	£77,710

Office

Rent, Service Charge & Rates	£12,173	
Printing, Stationery & Postage	£11,402	
Legal Fees	£7,670	
Research Costs	£3,189	
PR, Marketing & Development	£2,420	
Telephone & Fax	£2,405	
General Expenses	£2,142	
Travel & Entertaining	£1,526	
Training Courses	£1,510	
Subscriptions	£1,322	
Audit	£750	
Insurance	£625	
Depreciation	£472	
Repairs	£333	
Bank Charges	£48	£47,987

Total Expenditure £125,697

Income over Expenditure £28,598

Donations received for Second Year's Operations £39,750

Total Carried Forward £68,348

What about the money?

Income Prior to our registration as a charity we had received sums from charitable foundations to set the project up as well as some modest trading income. At the date of incorporation these sums – which came to £40,395 – were transferred from the embryonic charity to the limited company.

The sources of income received during our first year are detailed opposite. Apart from the sum brought forward, we received a further £113,900 in donations and trading income toward our first year.

From the early summer of 1994 we began to raise sums for our second and subsequent years and by September 30th 1994 had raised £39,750 to help defray our future costs. At the year end we had a surplus of income over expenditure of £28,598 and so began our second year with funds of £68,348.

Expenditure Personnel costs make up the bulk of our expenditure. The Director, who is a practising barrister, has his salary pegged to that of a law professor. Of the two solicitors, Nick Halsted currently draws expenses but no salary.

During the first year a number of staff have been engaged as consultants on short-term contracts. At January 1995 Guy Dehn, Helen Butler, Julianna Kimmerling and Jack Mitchell are full-time employees.

Future plans Although our core costs are secure for the coming eighteen months, we need your support if we are to continue to offer our services and have the chance to expand to meet the demands that will be generated as we become more widely known. It is only through the financial independence that comes from the support of individuals, organisations and foundations that our impartiality and integrity are both guaranteed and transparent. Five year financial plans and copies of our audited accounts are available on request.

Note on accounting Policies The financial statements are prepared under the historical cost convention. Depreciation on fixtures and equipment is provided at 25% straight line. The company has taken advantage of the exemption available under FRS1 for small companies not to prepare a cash flow statement. Turnover represents sale of publications and services provided to third parties net of value added tax.

Support

Major foundation support

Allen Lane Foundation
Baring Foundation
Calouste Gulbenkian Foundation
The Leigh Trust
Joseph Rowntree Charitable Trust

Key corporate supporters

Cadbury Schweppes
Co-operative Wholesale Society
Esso
Forte
NatWest Bank
Thorn EMI

Supporters and donors

Abbey National
AB Foods
Audit Commission
Bank of England
Barclays
British Telecom
Butterworths
Co-operative Bank
Co-operative Insurance Society Ltd
Conrad Dehn QC
Dell
Dixons
Estate of J Ormonde Duveen
European Commission DG XI and DG XX
GreenStreet
Hemmington Scott
Ole Henriksen
Hilden Charitable Trust
ICI
Kaleidoscope
KPMG Peat Marwick
Ladbroke's
Law Society
Mrs F. B. Laurence's 1976 Charitable Trust
MSF
Northern Foods
NUMAST
Old Stables Charity
Polden Puckham Foundation
Price Waterhouse
RTZ
Rufus Leonard
Seeboard
Social Audit
Tesco
Tucker Turner Kingsley Wood
UNISON
Andrew Wainwright Reform Trust

Thanks to all our supporters

Supporters

Major foundation support The charity's independence and integrity is guaranteed by the support it receives from leading trusts and foundations. The patient backing of Joseph Rowntree Charitable Trust, coupled with support from the Calouste Gulbenkian Foundation, allowed us to prepare for our launch and to survive the deliberations that delayed the grant of charitable status. Support from both bodies continues into our second year. The Allen Lane Foundation made a three year grant of £9,000 to cover the costs of the helpline and the Leigh Trust has funded one half of a helpline adviser's salary over the coming year. With particular reference to our work in the charitable and voluntary sectors, the Baring Foundation has made a substantial £65,000 grant toward our running costs over the next three years.

Key corporate supporters A number of leading organisations from the private, public and voluntary sectors have expressed an interest in being prominent supporters of our work. This group of supporters, listed opposite, which was launched in the summer of 1994, will meet formally once a year and is also invited to a private workshop on an issue of public or corporate governance. While we value their interest and help, we have set a limit of £3,500 a year on the level of financial support from such organisations so as to ensure that the charity is not beholden to any one interest.

Donors A wide range of bodies have supported our work up to and during our first year. Some have given support in kind – some helped furnish our offices, or donated legal materials, computer equipment or design and consultancy services. Other companies, firms, unions and charitable trusts have given us financial support toward our running costs or toward specific research projects. A breakdown of the money received during our first year is shown on page 22.

Individuals Individual supporters have also given welcome financial support. They can make donations or bequests or become subscribers. For £15 a year they receive complimentary copies of all our publications.

We also take this opportunity to record our thanks to Michael Brindle QC and Christopher McCall QC for their *pro bono publico* advice and assistance on various legal issues.

We cannot continue our work without your support. If you would like further information about how to become an individual subscriber, how to make a donation or how to become a key corporate supporter, please telephone 0171 404 6609 and ask for Evelyn Oakley.

The Trustees, Council and Staff

The Trustees

Sir Gordon Borrie QC (*Chairman*)
 Prof. Ross Cranston
 Maurice Frankel
 Mark Mildred
 Marlene Winfield

The Council

Lord Oliver of Aylmerton PC (*Chairman*)
 Mike Bett CBE
 Steve Burkeman
 Gerald Bowden
 Tony Close
 Dr Yvonne Cripps
 Jo Cutmore
 Baroness Dean
 Zerbanoo Gifford
 Lord Gladwin
 Edwin Glasgow QC
 Ole Henriksen
 Roger Jefferies
 David Owen
 Chris Price
 Anthony Sampson
 Dr Elaine Sternberg
 Dr Marie Stewart

The Staff

Director
 Guy Dehn
PA to the Director
 Evelyn Oakley
Accounts
 Caroline Khazai-Nejad
Solicitors
 Nick Halsted
 Elaine Seth-Smith
Helpline advisers
 Julianna Kimmerling
 Jack Mitchell
 Susan Turquet
Research assistants
 Helen Butler
 Andrea Eaves
Training Consultants
 Claire Chappell
 Elaine Sternberg

In setting up the charity and over its first year we are also grateful to the following consultants and volunteers:

Tracey Calder, Philip Ells, Caron Heyes, Catherine Hobby, Philippa Jackson, Russell Lee, Mohan Madhani, Pete Minet, Alistair Mitchell, Naomi Passman, Nishta Patel, Angela Peak, Anna Teevan and Lucy Vickers.

Who does what?

The Trustees As the charity is incorporated, the trustees are also the directors of the limited company. The trustees are legally responsible for the charity and they meet together quarterly. Individually trustees also assist the Director and staff. The Chairman, Sir Gordon Borrie, and/or his deputy Ross Cranston, meet with the Director once a fortnight to discuss particular cases and any pressing matters.

The Council The trustees and staff are advised by a Council of distinguished persons drawn from business, unions, the public sector and the professions. It is chaired by the former law lord, Lord Oliver of Aylmerton PC. The Council meets formally once a year and individual members are available to advise and assist the Director and staff throughout the year. The Council's role is to chart the direction of the charity and advise the trustees on research and educational work.

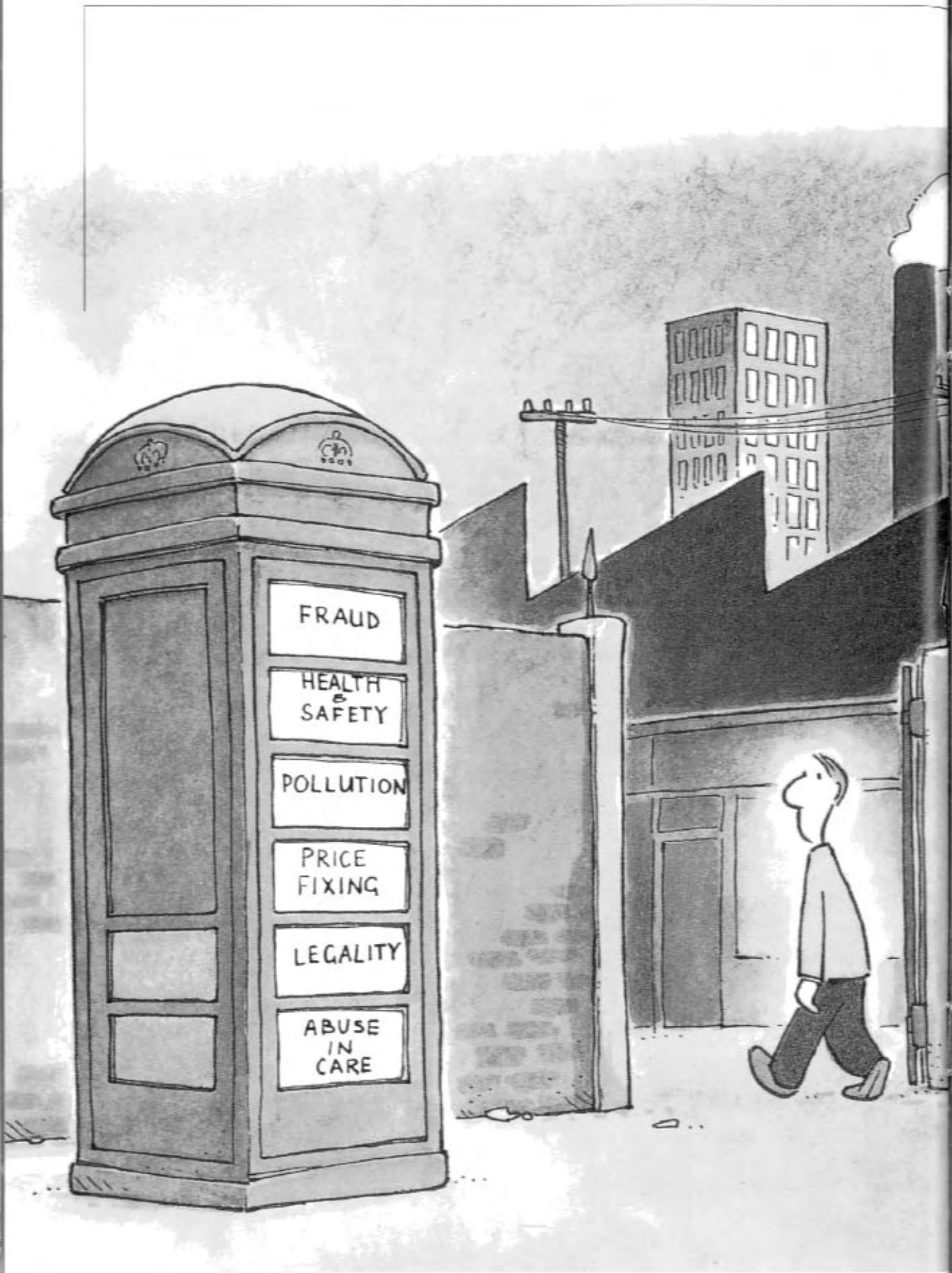
The Staff At January 1995 the staff complement is as follows:

The Director, **Guy Dehn**, is a practising barrister who from 1986–1992 was the legal officer to the National Consumer Council. His Personal Assistant, **Evelyn Oakley**, who is also the Company Secretary, has many years' experience in the private sector. **Caroline Khazai-Nejad** works one day a week on our Accounts.

Two practising Solicitors work at the charity – both part-time. **Nick Halsted** was the Head of the Legal Department at Reed International for 9 years. **Elaine Seth-Smith** was an assistant solicitor at Lewis Silkin. The Helpline Advisers are also lawyers. **Julianna Kimmerling** joined the charity as a Bar student and **Jack Mitchell** has just been called to the Bar. They are both full-time and also help run the office. **Susan Turquet** is a practising barrister who has worked as a consultant to the charity since early 1993 and assists on the helpline as caseload demands.

During the first year the Director has been responsible for the research work. **Elaine Seth-Smith** and a trainee solicitor **Helen Butler** (both history graduates) have assisted with research papers. **Andrea Eaves** worked full-time for much of the first year, joining us from the European policy field. She undertook research projects and prepared reports for publication. Along with the Director, and with help from **Claire Chappell** and **Elaine Sternberg**, she has developed our training programme.

Volunteers From late 1992 a number of volunteers and consultants have helped out at the charity – preparing for its launch, undertaking research projects or assisting with the helpline, publicity or book-keeping. They have brought a wide range of skills and expertise with them and we take this opportunity to record our thanks to them for their commitment, help and good humour.



Do the Right Thing
0171 404 6609