
MEETING: Audit Committee
DATE: 19th April 2007
SUBJECT: Gifts & Hospitality
REPORT FROM: Head of Strategic Finance
CONTACT OFFICER: Stephen Kenyon

TYPE OF DECISION: NON KEY DECISION

**FREEDOM OF INFORMATION/
STATUS:** For Publication

SUMMARY:

This report outlines the Council's system to declare, monitor & report gifts and hospitality offered to / received by staff.

The report also presents for Board's attention a summary of declarations made up to February 2007.

OPTIONS AND RECOMMENDED OPTION (with reasons):

Members are requested to note the contents of the report and endorse the approach outlined.

IMPLICATIONS -

**Corporate Aims/Policy
Framework:**

Do the proposals accord with the Policy
Framework? Yes No

**Financial Implications and
Risk Considerations**

An effective process to record, monitor, and report offers of gifts and hospitality serves to protect both staff and the Authority against allegations of improper conduct.

Statement by Director of Finance and E-Government:

A robust mechanism to control offers of gifts and hospitality is a fundamental aspect of the Council’s corporate governance / ethical framework

Equality/Diversity implications Considered by Monitoring Officer: Yes No
 Yes No

Are there any legal implications? Yes No

Staffing/ICT/Property: No

Wards Affected: No

Scrutiny Interest: Scrutiny may wish to examine registers of Gifts & Hospitality received

TRACKING/PROCESS

DIRECTOR: Finance & eGovernment

Chief Executive/ Management Board	Executive Member/ Chair	Ward Members	Partners
19/3/07			
Scrutiny Commission	Executive	Audit Committee	Council
		19/4/07	

1. INTRODUCTION

- 1.1 A robust mechanism to control offers of gifts and hospitality is a fundamental aspect of the Council’s corporate governance / ethical framework.
- 1.2 The Council’s Local Code of Corporate Governance reinforces this through the core principle of “Promoting the values of the authority and demonstrating the values of good governance through behaviour”.
- 1.3 The Council’s 2006 “Use of Resources Auditor Judgement” stated;
 - “The Authority should continue to develop the gifts and hospitality register arrangements to eliminate the identified weaknesses. Arrangements should also be made to ensure that the Monitoring Officer or her staff review these declarations.”

2. PROGRESS TO DATE

- 2.1 Comprehensive guidance relating to gifts and hospitality is included within the “Employee’s Code of Conduct”; issued to every member of staff and available on the intranet.
- 2.2 Further guidance is available on the “Corporate HR” area of the intranet, along with a template for staff to submit details of gifts and hospitality offered / received.
- 2.3 In September 2006, the Director of Finance & eGovernment contacted all staff via email advising them of the requirement to use the on-line register. A message is to be applied to payslips in the near future to ensure that all staff are aware of the requirement to declare gifts and hospitality.
- 2.4 A mechanism has now been jointly developed by staff from Corporate HR and Internal Audit to collate results submitted, and to allow summary reports to be extracted.
- 2.5 It is proposed that the following reports be produced on a quarterly basis;
- Departmental Report to each Director
 - Full Report to Monitoring Officer
 - Full Report to Internal Audit
 - Summary Report to Management Board
 - Summary Report to Audit Committee
- 2.6 Analysis of registers completed to February 2007 reveals the following;

Department	Number of Declarations	Average Value
EDS	20	£21.46
Childrens Services	19	£8.25
Adults Services	55	£5.95
Chief Executives	23	£63.78
Total	117	£19.17

- 2.7 It is encouraging to note the diverse range of staff completing the register; this evidences the fact that knowledge of the procedure is widespread.
- 2.8 Directors have been requested to examine their departmental register in detail, and consider whether declarations are appropriate.
- 2.9 Directors have also been requested to follow up any areas where there are no declarations, yet where they might have been expected.
- 4. ISSUES**
- 4.1 Whilst the use of a web based register is efficient, managers must ensure a procedure is in place for staff without access to intranet.

4.2 A manual system is currently in place for elected Members to make declarations. Staff from Internal Audit and Democratic Services will jointly develop an on-line register for elected Members.

5. RISKS

5.1 The system only picks up declarations made by staff; clearly the items that are not being declared are potentially inappropriate.

5.2 The overall internal control framework, the anti-fraud strategy, the Council's Whistleblowing Policy, and the work of Internal Audit all offer additional assurance in this respect.

6. FUTURE ACTIONS

6.1 The on-line register needs to be further developed to include gifts / hospitality offered to elected Members.

6.2 Operation of the declaration process will be continually monitored by the Internal Audit Section.

6.3 As the process develops and more data is gathered, reports will be presented to this Committee analysing the trend in declarations, and identifying service areas which are susceptible to offers of gifts and hospitality.

7. RECOMMENDATIONS

7.1 Members are requested to;

- (a) affirm their support for the importance of registering gifts and hospitality
- (b) endorse the current approach for declaring offers of gifts / hospitality
- (c) agree the frequency and coverage of proposed reporting arrangements
- (d) note the declarations made to date.

List of Background Papers:-

Individual Gifts & Hospitality Registers (available on request)

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