

**REPORT FOR DECISION**

Agenda Item	
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**MEETING:** Audit Committee  
**DATE:** 26<sup>th</sup> February 2008  
**SUBJECT:** Gifts & Hospitality  
**REPORT FROM:** Head of Strategic Finance  
**CONTACT OFFICER:** Stephen Kenyon

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**TYPE OF DECISION:** NON KEY DECISION

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

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**SUMMARY:**

This report presents Members with an update on the system to declare, monitor & report gifts and hospitality offered to / received by staff.

The report presents a summary of declarations made for the period to December 2007 and plots trends in declarations made.

**OPTIONS AND RECOMMENDED OPTION (with reasons):**

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

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**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

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
Scrutiny Commission	Executive	Audit Committee	Council
		26/2/08	

**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 Audit Committee approved a report outlining the "web-based" system for declarations at its meeting of 19<sup>th</sup> April 2007, and has received updates at subsequent meetings.
- 1.4 This report summarises declarations made for the period to December 2007.

**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 Guidance on the “Corporate HR” area of the intranet has been revised to make it more readily accessible.
- 2.3 Monitoring reports are now being produced on a quarterly basis in accordance with the timetable agreed by Audit Committee (April 2007).
- 2.4 A “web based” mechanism for Members to record declarations has recently been developed jointly by Internal Audit and the Corporate HR Division, and implemented with effect from September 2007.
- 2.5 A separate mechanism applies for teachers; registers are maintained at school buildings, reported to Boards of Governors, and examined by Internal Audit under the FMSIS audit arrangements.
- 2.6 Analysis of registers completed for the period ended December 2007 reveals the following;

<b>Department</b>	<b>Number of Declarations</b>	<b>Average Value</b>
EDS	10	£73
Childrens Services	5	£10
Adults Services	11	£10
Chief Executives	6	£13
Members	2	£130
<b>Total</b>	<b>34</b>	<b>£36</b>

- 2.7 This is the third report to Members of the Audit Committee, and it is now possible to analyse trends in the number of declarations made. The table below summarises activity for the period from March 2007;

<b>Month</b>	<b>EDS</b>	<b>Childrens</b>	<b>Adults</b>	<b>ChiefExec</b>	<b>Members</b>	<b>Total</b>
Mar 07	4	3	1	3	-	11
Apr 07	3	0	0	1	-	4
May 07	4	1	0	1	-	6
Jun 07	7	0	0	0	-	7
July 07	4	2	12	0	-	18
Aug 07	1	1	4	0	-	6
Sep 07	1	0	4	0	1	6
Oct 07	0	1	0	0	0	1
Nov 07	7	1	0	4	1	13
Dec 07	1	2	2	2	0	7
<b>Total</b>	<b>32</b>	<b>11</b>	<b>23</b>	<b>11</b>	<b>2</b>	<b>79</b>

- 2.8 A total of 79 declarations have been made over the period examined. Whilst it is encouraging to note declarations being made at all levels of the

organisation, and in all service areas, it is very difficult to identify any trend. This could be due to the ad hoc nature of offers being made, however there is a risk that long periods of nil / low declarations could be symptomatic of a lapse in registration.

- 2.9 An email reminder is to be sent to all Members and Officers on behalf of the Director of Finance & eGovernment advising them of the requirement to register offers. Staff and members are advised to err on the side of caution – ***“if in doubt – register it”***

#### 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.

#### 5. **RISKS**

- 5.1 The system only picks up declarations made by staff; clearly it is the items that are not being declared that 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 Departmental managers are responsible for the operation of the register in their area, however compliance with the declaration process will be continually monitored by the Internal Audit Section.

#### 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) note the declarations made to date.

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#### **List of Background Papers:-**

Individual Gifts & Hospitality Registers (available at meeting)

#### **Contact Details:-**

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