

REPORT FOR DECISION

MEETING: **AUDIT COMMITTEE**

DATE: **22nd JUNE 2010**

SUBJECT: **GIFTS & HOSPITALITY**

REPORT FROM: **DIRECTOR OF FINANCE AND E-GOVERNMENT**

CONTACT OFFICER: **S. Kenyon - Head of Strategic Finance**

TYPE OF DECISION: **NON-KEY DECISION**

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

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 all declarations made for the financial year 2009/10.

OPTIONS & RECOMMENDED OPTION The Committee is asked to note the contents of the report.

IMPLICATIONS:

Corporate Aims/Policy Framework: Do the proposals accord with Policy Framework? Yes.

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: No

Considered by Monitoring Officer: Yes

Are there any legal implications? No

Staffing/ICT/Property: No

Wards Affected: No

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

TRACKING/PROCESS

DIRECTOR: Mike Owen

Chief Executive/ Management Board	Executive Member/Chair	Ward Members	Partners
Scrutiny Commission	Executive	Committee	Council
		Audit 22/6/10	

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 19th April 2007, and has received regular updates at subsequent meetings.
- 1.4 This report summarises declarations made for the 2009/10 financial year.

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 A "web based" mechanism for Members to record declarations has been developed jointly by Internal Audit and the Corporate HR Division, and implemented with effect from September 2007.

- 2.4 The system now allows officers and members to record potential “conflicts of interest”, for example where a member of staff may be related to contractors working for the Council.
- 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 2009/10 reveals the following;

Department	Number of Declarations	Lowest Value	Highest Value	Average Value
EDS	26	£1	£180	£21
Childrens Services	11	£2	£25	£8
Adults Services	7	£3	£60	£15
Chief Executives	7	£3	£20	£7
Members	12	£5	£50	£20
Conflicts of Interest	2	n/a	n/a	n/a
Total	65	£1	£180	£16

- 2.7 The number and size of declarations made during 2009/10 is consistent with that of previous years.
- 2.8 The largest gift (valued at £180) was 4 tickets to the Heaton Park Oasis Concert (gift from Manchester City Council); these were donated to Prince’s Trust Volunteers at the New Kershaw Centre

3. ISSUES

- 3.1 The system only picks up declarations made by staff; clearly it is the items which are not being declared that are potentially inappropriate.
- 3.2 At the request of the Audit Committee, an exercise has been undertaken to “map” declarations made throughout the organisation. The chart at Appendix A plots the location of staff who made declarations made during 2009/10.
- 3.3 There are clear peaks in respect of Planning & Building Control, and Childrens Services Management (primarily Student Awards). These are areas prone to offers of gifts & hospitality, and it is reassuring to see that staff are following the due process to declare these.
- 3.4 There are also a number of areas where no declarations have been made; these will be addressed during 2010/11 to ensure that all staff are aware of the procedure for making declarations.

4. RISKS

- 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 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.

5. FUTURE ACTIONS

5.1 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.

5.2 Areas which have made no declarations will be the focus of activity for 2010/11.

6. RECOMMENDATIONS

6.1 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.

Mike Owen
Director of Finance and E-Government

Background documents:

Registers available for inspection if requested.

For further information on the details of this report, please contact:

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