

# REPORT FOR DECISION

**MEETING:** AUDIT COMMITTEE

**DATE:** 23rd AUGUST 2012

**SUBJECT:** GIFTS & HOSPITALITY

**REPORT FROM:** ASSISTANT DIRECTOR OF RESOURCES (FINANCE & EFFICIENCY)

**CONTACT OFFICER:** S. Kenyon (Assistant Director of Resources)

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

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

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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 and Members.

The report presents a summary of declarations made for the period April 2012 to June 2012.

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

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## 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**

**EXECUTIVE DIRECTOR: Mike Owen**

|                                      |                           |               |          |
|--------------------------------------|---------------------------|---------------|----------|
| Chief Executive/<br>Management Board | Executive<br>Member/Chair | Ward Members  | Partners |
|                                      |                           |               |          |
| Scrutiny Commission                  | Executive                 | Committee     | Council  |
|                                      |                           | Audit 22/8/12 |          |

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 regular updates at subsequent meetings.
- 1.4 This report summarises declarations made for the period April to June 2012.

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.
- 2.6 Analysis of registers completed for the period reveals the following;

| <b>Department</b>     | <b>Number of Declarations</b> | <b>Lowest Value (£)</b> | <b>Highest Value (£)</b> | <b>Average Value (£)</b> |
|-----------------------|-------------------------------|-------------------------|--------------------------|--------------------------|
| EDS                   | 4                             | 10                      | 68                       | 51                       |
| Childrens Services    | 0                             | 0                       | 0                        | 0                        |
| Adults Services       | 6                             | 3                       | 125                      | 24                       |
| Chief Executives      | 3                             | 20                      | 63                       | 45                       |
| Members               | 0                             | 0                       | 0                        | 0                        |
| Conflicts of Interest | 1                             | n/a                     | n/a                      | n/a                      |
| <b>Total</b>          | <b>14</b>                     | <b>0</b>                | <b>125</b>               | <b>38</b>                |

### **3. ISSUES**

- 3.1 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. RISKS**

- 4.1 The system only picks up declarations made by staff; clearly it is the items which are not being declared that are potentially inappropriate.
- 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.

### **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.

**Steve Kenyon**  
**Assistant Director of Resources (Finance & Efficiency)**

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***Background documents:***

Registers available for inspection if requested.

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

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