

Bolsover, Chesterfield and North East Derbyshire District Councils'

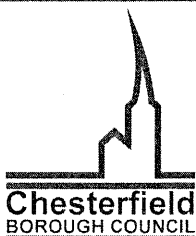
Internal Audit Consortium

Internal Audit Report

Authority:	Bolsover District Council
Subject:	Gifts & Hospitality and Declarations of Personal Interests (Ref BO13)
Date of Issue:	28th September 2010

Report Distribution:	Chief Executive Solicitor to the Council and Monitoring Officer Client Officer – Director of Resources
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North East
Derbyshire
District Council



Bolsover
District Council

INTERNAL AUDIT REPORT

GIFTS & HOSPITALITY AND DECLARATION OF PERSONAL INTERESTS

Introduction

The Internal Audit Consortium has performed an audit of Council guidance in respect of gifts and hospitality, compliance with the guidance and the monitoring procedures in place.

Scope and Objectives

The primary objectives of the review were to: -

- Establish Legal Services' monitoring procedures.
- Determine frequency of monitoring and any action taken.
- Compare gifts and hospitality accepted or rejected to previous year.
- Ensure adequate information is recorded at departmental level.
- Confirm acceptance of gifts and hospitality is approved by a senior officer.
- Confirm submission of returns to the Solicitor/Monitoring Officer.
- Determine how employees and Members are informed of the necessity to record instances of gifts and hospitality accepted or rejected.
- Determine how Members are informed of the necessity to declare personal interests.
- Confirm declarations of interest are being adequately monitored

Conclusion

The conclusion of the audit was that the key controls relating to the above areas were found to be **satisfactory** (minimal risk; a few areas identified where changes would be beneficial)

Findings and Recommendations

Background

1. In many commercial environments it is common practice to offer and accept gifts, hospitality and other benefits. The practice is frequently used to influence decisions when one company is seeking to do business with another and is acceptable within the private sector. However, within the public sector the acceptance of gifts, hospitality and other benefits even on a modest scale may arouse suspicion of impropriety.
2. Legal Services undertake an annual inspection of all gifts and hospitality registers, the results of the inspection can be used by Standards Committee to evaluate changes and improvements to the ethical framework.
3. The annual inspection and the audit review have been based solely on declarations of gifts and hospitality and do not cover any gifts and hospitality which may have been received and not declared.

Monitoring Procedures

4. Inspections by the Solicitor to the Council/Monitoring Officer took place in July 2010 and in August 2009. All departmental gifts and hospitality registers are checked to ensure a register exists, contains up to date guidance and the correct forms and all register entries comply with requirements.
5. Twenty registers were inspected by the Monitoring Officer and all but four were found to comply with guidance. The areas of non compliance were:-
 - Reasons for acceptance/rejection not completed.
 - Entries not signed as approved.
 - Entries not completed fully
6. Where entries did not comply with requirements the registers were returned to departments by the Monitoring Officer with a reminder to complete entries in full.

Approval of gifts or hospitality

7. The gift and hospitality guidance notes kept at the front of each register stipulate a Head of Service's signature must be obtained to show approval. Heads of Service should not authorise their own acceptance. The Chief Executive, a Director or another Head of Service should be asked to authorise.
8. During the course of the audit review registers in seven departments were examined. It was found that three entries in the Leisure register had been signed by the acceptor, not by the Head of Service. Within Environmental Health a gift accepted by the then Head of Service had been approved by a member of staff other than the Chief Executive, a Director or another Head of Service.

Recommendations	
R1	Officers should be reminded of the requirement to obtain authorisation for acceptance from a Head of Service. Priority : High

Comparison of 2009 to 2010

9. The inspection carried out by Legal Services in July 2010 identified 115 register entries in comparison to 35 identified during the previous inspection in August 2009.
10. The increase in the number of register entries has been attributed to an increase in awareness following the gifts and hospitality briefing session held at the depot. Declarations made in Environmental Health and Street Services have increased the most.

Recording at departmental level

11. The nature of gifts and hospitality received is relatively modest with the majority of gifts being diaries and calendars. Other types of gifts received include boxes of chocolates, flowers, meals, stamps and tickets to a darts tournament. An invitation from a supplier to a dinner and comedy night with an approximate value of £20 per person has been accepted by three Housing employees. The reason for acceptance has been given as *'a chance to discuss on-going service provision in an informal atmosphere – introduce team to other parts of Orbis that they normally wouldn't meet'*. The entry has not been authorised.
12. The notes compiled in conjunction with the gifts & hospitality brief held at the depot state:

Special care should be taken if you are offered any gift or hospitality from an existing or possible contractor or agency. Generally no gifts or hospitality should be accepted from contractors employed by the Council. If you feel that in the particular circumstances of the offer, it should be accepted, you must discuss with your Head of Service before acceptance and obtain his/her agreement.

Recommendations

R2	Officers should be reminded that generally no gifts or hospitality should be accepted from contractors employed by the Council. Priority : High
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Communication of policy

13. An annual message is included in the weekly bulletin after the Departmental Gifts and Hospitality Register report has been submitted to Standards Committee. The weekly bulletin is accessible by all employees with computer access. Guidance is also available on the intranet.
14. The briefing session mentioned above conducted by the Monitoring Officer (Solicitor to the Council) was held at the depot, where the majority of employees without computer access are based.
15. Guidelines are included in the Member's Code of Conduct, which each Member must sign up to within twenty eight days of entering office. Members have also received gifts and hospitality training.

Declarations of personal Interests

16. Members no longer declare the receipt of gifts or hospitality in a gifts and hospitality register. With effect from 2008 the receipt of any form of gift/hospitality exceeding £25 in value must be declared on the Member's Register of Interests form and where appropriate in a meeting. A gifts & hospitality registration sheet is completed and

forms part of Members Register of Interests which is available in the public domain for three years.

17. Declarations are monitored as part of the annual inspection. No Member has declared the receipt of gifts and hospitality since May 2007.
18. On entering office Councillors are required to sign up to the Code of Conduct which advises members on the disclosure of personal interests.
19. A Register of Interests form must be completed by all Councillors, the forms must be completed within 28 days of taking office any amendments must be made within 28 days.
20. Declaration of interest training is provided to District Councillors annually and to Parish Councillors every two years. Members are reminded annually of the necessity to complete gifts and hospitality registration sheets.
21. Legal advisors are on hand at all meetings to give Councillors advice. Should a Councillor have a personal interest in a matter being discussed at a meeting they are required to complete a Declaration of Interests form. If the personal interest is prejudicial the Member must leave the meeting.

Acknowledgement

22. The auditor would like to thank the Solicitor to the Council, Legal and Standards Officer and Legal Support Officer for their valued assistance during the completion of the audit.

Internal Audit Report – Implementation Schedule

Report Title: Gifts & Hospitality	Report Date: 28 th September 2010
	Response Due By Date: N/A

Recommendations	Priority (High, Medium, Low)	Agreed	To be Implemented By:		Disagreed	Further Discussion Required	Comments
			Officer	Date			
R1 Officers should be reminded of the requirement to obtain authorisation for acceptance from a Head of Service.	H	yes	STC	15.10 .10			
R2 Officers should be reminded that generally no gifts or hospitality should be accepted from contractors employed by the Council	H	yes	STC	15.10 .10			

Please tick the appropriate response (✓) and give comments for all recommendations not agreed.

Signed Head of Service:	Date:
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Note: Normal expected time scales for implementation of recommendations would be: High Priority – within one month; Medium Priority – within 1 to 3 months; Low Priority- within 3 to 6 months