



AUDIT COMMITTEE - 17TH SEPTEMBER 2013

SUBJECT: REGISTER OF GIFTS AND HOSPITALITY

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To outline the process in place within the Authority to register the receipt of gifts and hospitality offered to employees. To explain improvement work being undertaken to enable corporate review of the register which aims to improve our governance arrangements.

2. SUMMARY

- 2.1 The Code of Conduct for Employees a copy of which is attached at Appendix 1 and referred to in this report as "the Code" sets out guidelines as to how offers of gifts and hospitality are to be dealt with (Sections 12 and 14 of the Code apply).
- 2.2 The Code is applicable to all employees of the Council other than Teachers who are covered by the General Teaching Council for Wales's (GTCW) Professional Code for Teachers. However, teaching staff will also be expected to have regard to the principles contained within this Code. Advice will be forwarded to schools to remind them of the standards expected from its employees by the Council as the employer of staff in maintained schools.

3. LINKS TO STRATEGY

- 3.1 Ensuring that the Council has clear processes for dealing with gifts and hospitality is essential to ensure that in performing their duties, employees act with integrity, honesty, impartiality and objectivity. This protects individuals and the Authority from potential claims of bias or illegality.

4. THE REPORT

- 4.1 The Code has been in operation since July 2004 and was reviewed in 2006 and again in 2012. There is currently a review of the code taking place at an all Wales level that is likely to introduce a common code. A further report will be brought forward in due course to reflect this work.
- 4.2 The Code is designed to ensure that individual members of staff do not, or do not appear to, benefit from decisions taken by the Council in which they are involved, and that they do not benefit or be seen as benefiting, a relation or a friend, by being involved in taking the decision which would create that benefit.

- 4.3 The Code provides guidelines as to what is considered to be an acceptable limit should employees be offered and accept a gift or hospitality. Sections 12 and 14 of the Code deal with Bribery and Hospitality respectively. The offering of gifts is addressed under the heading of Bribery. However it is important to note that whilst a financial limit is set out, the Code emphasises that where any gift/hospitality is offered which could be seen by a third party as placing the employee under an improper obligation (such as more than one gift from the same party) it must be refused irrespective of the value.
- 4.4 Guidance notes have also been produced to be read in conjunction with the Code.
- 4.5 Under the provisions of the Code, where an employee accepts a gift or hospitality, they are required to complete a "Register of Employees Interest" form a copy of which is reproduced in Appendix 1. These forms are held by each Head of Service as controlled stationery.
- 4.6 Members will note that in addition to gifts and hospitality, the form also contains details of other declarations made by employees. These include Declarations of Interest in respect of relationships as set out on the form together with outside interests both financial and non-financial. This report deals specifically with gifts and hospitality.
- 4.7 With specific reference to gifts and hospitality, the form is designed to:
- (i) allow employees to record the receipt of a gift or hospitality and
 - (ii) record in conjunction with a respective head of service what steps are being taken to prevent an employee being seen as benefiting him/herself or a third party.
- 4.8 Heads of Service are responsible for assessing declarations of receipt of gifts or hospitality made by employees, whether it is appropriate for the offers to be accepted or declined and any action necessary to prevent a conflict of interest. A declaration by a Head of Service is signed by the appropriate Director, a declaration by a Director is signed by the Chief Executive and a declaration by the Chief Executive is signed by the Monitoring Officer
- 4.9 The form is signed in triplicate by the Employee and the Head of Service (or as applicable as described in 4.7 above) and will record any further action to be taken to protect both the employee's and the Council's interests. One copy of the form is retained by the Head of Service in the controlled stationery file, one copy is retained by the employee and one copy is sent to HR for depositing on the employees personnel file.
- 4.10 Whilst the Code sets out guidance regarding the process to be followed in respect of gifts and hospitality, a review of the Code undertaken by Internal Audit in March 2013 identified that there appeared to be an overall lack of familiarity with the Code and that there is an inconsistent use and maintenance of the Employee Register of Interest across the Council.
- 4.11 To ensure that the Code is implemented consistently across the Council and that all employees are aware of their obligations when receiving gifts and hospitality the Head of Workforce and Organisational Development has asked all Heads of Service to review the Register of Employees Interests within their respective departments and to provide updated forms to HR on a monthly basis. This will ensure that a complete and central record of all declarations are kept in HR which may be controlled and managed more efficiently so as to be reviewed at a corporate level.
- 4.12 Arrangements are also being made for all declarations of employee interest to be recorded on the Council's computerised HR / Payroll system. This will also support the regular reporting on this subject.
- 4.13 In addition, the Code is being redistributed to all employees (including schools) with a covering letter from the Interim Chief Executive, which reminds employees that they must be aware of their obligations regarding professional behaviour/conduct as the public is entitled to expect the highest standards of conduct from all Local Government employees.

5. EQUALITIES IMPLICATIONS

- 5.1 No Equality Impact Assessment has been undertaken specifically for this report. All HR policies are routinely equality impact assessed when they are developed, or when changes occur. No changes have been made to the Code the subject of this report

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications associated with this report

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications associated with this report.

8. CONSULTATIONS

- 8.1 All consultation responses have been reflected in this report..

9. RECOMMENDATIONS

- 9.1 Audit Committee note the current position with regard to the Council's Code of Conduct and the Register of Employee Interests.
- 9.2 Audit Committee approve a programme of quarterly reporting from the Head of Workforce and Organisational Development in relation to gifts and hospitality.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To provide Audit Committee with appropriate information to confirm that the process to declare an interest in the offer of gifts and hospitality, across the Authority is properly managed and monitored.

11. STATUTORY POWER

- 11.2 Local Government Act 1972.

Author: Gareth Hardacre Head of Workforce and Organisation Development
Consultees: Nicole Scammell, Acting Director Corporate Services
Dan Perkins, Head of Legal Services
Gail Williams, Monitoring Officer
Lisa Lane, Solicitor
Lynne Donovan, HR Service Manager
Cllr Christine Forehead, Cabinet Member for Human Resources

Appendices:
Appendix 1 Code of Conduct for Employees