

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Annual review of Declarations of Interests, Gifts and Hospitality by Officers for 2022/23
Meeting date	27 July 2023
Status	Public Report
Executive summary	<p>An annual review and update of the Council's Declaration of Interests, Gifts & Hospitality (for officers) Policy took place in February 2023 and the revised policy was approved by Audit & Governance Committee (16 February 2023).</p> <p>Some changes were made to the Policy including a clearer statement that the Council requires all employees to consider their specific job role, not just their Council employment and personal circumstance when deciding whether to make a declaration. Guidance was added on the Council giving/receiving donations and also clarification made for giving/receiving sponsorship.</p> <p>Through the completion of recent exercises, Internal Audit are able to provide reasonable assurance that officers have made appropriate declarations of interests, gifts and hospitality.</p> <p>There have been no internal or external identified instances, whistleblowing or reports by any other means where an undeclared interest by officers has led to any disciplinary action or led to reputational damage.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee note the annual review of Declarations of Interests, Gifts & Hospitality by Officers (2022/23).</p>
Reason for recommendations	To provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ✉ nigel.stannard@bcpcouncil.gov.uk ☎ 01202 128784</p>
Wards	Council-wide
Classification	For Information

Background

1. A new BCP Council Declaration of Interests, Gifts and Hospitality Policy (for officers) was introduced on 1 April 2020 and has thereafter been subject to annual evolutionary changes. Officers are responsible for maintaining their declarations in as near to real-time as is practical, in other words officers will not be waiting to make declarations on an annual basis.
2. The purpose of the Policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made in the interests of BCP Council and the community it serves and are not influenced inappropriately by the interests of individual employees, their relatives or friends.
3. This report aims to provide Audit & Governance Committee with assurance on the adequacy and robustness of the Council's arrangements for the declaration of interests, gifts and hospitality by officers.

Annual Review of BCP Declaration of Interests, Gifts and Hospitality Policy

4. An annual review of the Council's Declaration of Interests, Gifts & Hospitality Policy took place in February 2023 and the revised policy was approved by Audit & Governance Committee (16 February 2023).
5. Several changes were made to the policy as part of the annual evolution including:
 - A clearer statement that the Council requires all employees to consider their specific job role, not just their Council employment and personal circumstance when deciding whether to make a declaration (also added to the Appendix B flowchart).
 - Guidance added on the Council giving/receiving donations and clarification made for giving/receiving sponsorship.
 - Additional clarification made of terms used re officer tiers.
6. As in previous years, a corporate communication on the updated Declaration of Interests, Gifts and Hospitality Policy along with other Finance Policies was issued to all staff including senior managers (in April 2023).
7. The completion of mandatory training by all employees (in particular the Fraud Awareness module) will further improve Policy awareness.
8. The Head of Audit & management Assurance has delivered several bespoke training and questions and answer sessions on the Policy across Council services.

Internal Audit work on Declaration of Interests, Gifts and Hospitality

9. Internal Audit have reviewed data matching results provided by the National Fraud Initiative on BCP Council employees matched to Companies House directors (which also included payments made to those companies). In most cases appropriate declarations had been made however in a minor number of cases employees were reminded of the need to declare such interests under the Council's Policy.
10. Internal Audit carried out an exercise recently to check that 'Form 2's' had been completed by all Tier 4 and above officers. Some forms did require chasing however the current position is that over 95% of senior officers had completed and returned these forms to the Monitoring Officer. However staff who worked at BCP in the previous period will have their declarations carried forward so the missing 5% represents a large part of the new employees. Further work is being undertaken to ensure the few outstanding forms are submitted to the Monitoring Officer in line with the Policy.

11. During an unrelated Internal Audit investigation, which straddled the financial years 2022/23 and 2023/24, it was identified that insufficient regard was given to the identification and approval of measures or mitigating actions that would prevent actual or perceived conflicts of interest occurring.
12. Declarations have subsequently been amended and mitigating actions agreed. Internal Audit found no evidence of actual fraud or corruption in this case.
13. The Head of Audit & Management Assurance has sent a reminder to all Directors requesting them to check the adequacy of agreed mitigation and actions where an officer has made a declaration (Appendix 1), as part of the lessons learnt from this case.

Declaration of Interests, Gifts and Hospitality Policy Enforcement and Sanctions

14. Employees must comply with the requirements of the Policy and any failure to do so is a disciplinary matter, and disciplinary action may be taken regardless of whether the actions amount to a criminal offence.
15. During the 2022/23 financial year there have been no internal or external identified instances, whistleblowing or reports by any other means where an undeclared interest has led to any disciplinary action or led to reputational damage.

Options Appraisal

16. An options appraisal is not applicable for this report.

Summary of Financial Implications

17. There are no direct financial implications from this report.

Summary of Legal Implications

18. The Bribery Act 2010 makes it an offence for an employee to give advantage to someone in return for favours in relation to the Council's business.
19. Section 117 of the Local Government Act 1972 requires that employees notify the authority in writing of any direct or indirect financial interests which they have in any Council contracts, or proposed contracts, of which they become aware. Breach of Section 117 is a criminal offence subject to a fine.

Summary of Human Resource Implications

20. There are no direct environmental implications from this report.

Summary of Environmental Impact

21. There are no direct environmental implications from this report.

Summary of Public Health Implications

22. There are no direct public health implications from this report.

Summary of Equality Implications

23. There are no direct equality implications from this report.

Summary of Risk Assessment

24. There are no direct risk management implications from this report.

Background Papers

None

Appendices

Appendix 1 - Copy of Internal email to Directors
BCP Declaration of Interests, Gifts & Hospitality (for officers) - [Internal access link](#)

Appendix 1 – Copy of internal email to Directors

From: Nigel Stannard <nigel.stannard@bcpcouncil.gov.uk>
Sent: Monday, June 26, 2023 11:58 AM
To: BCP Directors

Declaration of Interest, Gifts & Hospitality Form 2

Hi All,

I need your help. A recent investigation has identified some weaknesses in the declarations process.

Have all your Heads of Service, particularly any new heads of service appointed in the past year or so, completed a Declaration of Interest form? Remember it is mandatory for all tier4 and above colleagues to complete a declaration even if the declaration is nil.

Equally importantly have you agreed, in part B of the form, any mitigations necessary to protect the employee, you and the Council from accusations of a conflict of interest (or perception of)?

Please can you check with your Heads of Service, especially if you've been part of any restructuring, that they have completed a declaration Form2 since the inception of BCP Council. Please also remember there is no need to complete a form annually. The first declaration is known as the 'base' declaration and thereafter only needs updating if there is something to add or take off from the base declaration.

Once you have approved any declarations, you should send them to monitoring.officer@bcpcouncil.gov.uk.

(for the purposes of the Policy: Tier 1 = Chief Exec, Tier 2 = Corporate Directors, Tier 3 = Directors, Tier 4 = Heads of Service)

Thanks for your help.

Nige



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