

Audit Committee – 27 June 2013

## 7. Register of Staff Interests – Annual Report

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### Purpose of the Report

This annual report to the Audit Committee is to advise members of the outcome of the review by the Monitoring Officer of the returns submitted to him by managers detailing any “interests” disclosed by staff working for them. It is important that the council has procedures to guide staff on the need to register and have approval for any interests they have that may impact upon their duties as an employee.

### Recommendation

That members note the annual report.

### Introduction

Previously the South West Audit Partnership (SWAP) undertook an audit of the adequacy of controls and procedures in place for Register of Interests for Staff across the Council as part of general audit plan work. Although the audit review did acknowledge that the Council complied with the statutory requirements and that there was a robust procedure in place for dealing with any complaints certain improvements were recommended to the process. It was agreed that individual service managers would be responsible for capturing this data at a service level due to there being no resource centrally to manage the process. However in order to ensure consistency it was agreed that service managers should report annually to the Monitoring Officer detailing interests that had been disclosed and where any consents had been given.

### Outcome

In brief, staff are required to disclose and managers are required to record any interest that falls in to the broad categories set out below. In addition to the obligation to disclose there is also the requirement that consent may need to be given by the manager to certain activities and the Monitoring Officer would also be aware of this and be able to assess whether such consent should have been given in the first place and where any conditions applied are appropriate or sufficient to protect the Council’s interests.

The categories are:-

- Any contract with the council for the supply of goods, services etc (excluding their contract of employment!);
- Any licence or tenancy agreement with the Council;
- Any connection with any contractors carrying out work for the Council;
- Any other paid employment or business interests;
- Belonging to other bodies to which they have been appointed or elected e.g. school governors, member of another council etc;

- Belonging to any secret societies i.e. bodies not open to the public and where an oath of allegiance or similar is required. The usual type of body in this category would be the freemasons.

There are no disclosures that reveal that any staff belong to any secret society but there are disclosures that cover every other category. There are a wide range of interests disclosed relating to other bodies but all generally fall into 3 categories (i) governors of local schools, (ii) town, parish and district councillors, and (iii) trustees of local charities e.g. village hall committees. A number of other disclosures were made about local volunteering work for play groups, hospices etc.

A number of disclosures were made about other paid employment. These sometimes are where staff work part-time for SSDC but in other cases this is additional consultancy work for other bodies. The key control on this other work is to ensure that it does not put an employee into a position where there is a potential conflict of interest with the work they are paid to do for SSDC. Permission has to be given for this other work to be undertaken. Such permission is subject to conditions that significantly reduce or remove the potential for conflict e.g. work can only be undertaken outside SSDC's administrative boundaries. The important thing with "interests" is their disclosure so that any potential conflict of interests can be managed. However managers also need to ensure that they don't create any issues by not imposing suitable conditions on any consent. The conditions disclosed where such consent has been given seem entirely appropriate consisting mainly of a geographical exclusion zone.

Clearly, despite raising awareness of the requirements, ultimately one is still dependent on employees being transparent and disclosing all relevant interests. It is re-assuring to note that there has only been one incident in the last 18 months where an interest that should have been disclosed and consent sought wasn't. Although there was no attempt to conceal, it was clearly an inappropriate relationship which could have placed the officer in a difficult position and potentially could have called into question his integrity. Accordingly the relationship was brought to an end immediately and the officer made aware of the issues that they had clearly not considered.

Part of the process is for there to be periodic reminders for staff and it is proposed that this takes place as part of a more formal review and revision of the process within the next few months. It will be interesting to see whether this results in many more interests being disclosed. Members may recall that the corporate induction programme does now include specific coverage of the staff code of conduct. It is also included on the manager's checklist of matters to be brought to the attention of new members of staff. The combination of all these approaches should ensure that employees are fully aware of their obligations and that non-compliance could result in disciplinary action being taken against them.

Although the Monitoring Officer is content that all relevant managers are sending him their year-end records for checking. Improvements can still be made both as to content and consistency in some areas and indeed generally. However the Monitoring Officer is content that there are no materially significant issues that need to be addressed.

### **Financial Implications**

Any that there are, can be met from existing resources.

**Legal Implications**

There are no specific legal implications resulting from the subject matter of this report as the statutory requirements contained in the Local Government Act 2000 are already being complied with.

**Carbon Emissions & Adapting to Climate Change Implications (NI188)**

There are no specific environmental implications arising from the subject matter of this report.

**Equalities and Diversity Impact**

There are no specific equality or diversity implications arising from the subject matter of this report as all staff are subject to the requirements set out in the code of conduct.

**Background Papers:** *Internal Audit Report 11<sup>th</sup> February 2011*

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