

REPORT TO: Audit and Governance Committee

MEETING DATE: 17 March 2015

BY: Depute Chief Executive – Resources & People Services

SUBJECT: Internal Audit Report – Members’ Gifts and Hospitality

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Members’ Gifts and Hospitality.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan.

3 BACKGROUND

- 3.1 A review of Members’ Gifts and Hospitality was undertaken as part of the audit plan for 2014/15.
- 3.2 The objective of the audit was to ensure that adequate internal controls were in place and operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 None

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DATE	5 March 2015

EAST LOTHIAN COUNCIL – INTERNAL AUDIT MEMBERS’ GIFTS AND HOSPITALITY

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2014/15 a review was undertaken of Members’ Gifts and Hospitality. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- A Register of Councillors’ Interests is maintained which includes a section for the recording of gifts and hospitality accepted by Members.
- Adequate arrangements are in place to ensure that the Register of Councillors’ Interests is available for public inspection as required by the Standards Commission Guidance – the principal Register is held in the main Council office and an electronic version is available on the Council’s website.
- The Register of Councillors’ Interests has been accurately updated to reflect the information provided by Councillors.
- Training has been provided to Councillors covering a number of areas including governance, quasi-judicial roles and the Councillors’ Code of Conduct.

1.3 Areas with Scope for Improvement

- At present information about the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Councillors’ Code of Conduct and the roles of the Standards Commission and the Public Standards Commissioner are not available to the public, either through the Council’s website or at main Council offices and public libraries, as required by the Standards Commission Guidance. *Risk – failure to comply with the revised Guidance on the Councillors’ Code of Conduct.*
- In some cases Councillors registering the acceptance of gifts and hospitality had not recorded details of who the gift or hospitality had been received from – the pro-forma Declaration of Receipt of Gifts and/or Hospitality form had not been used. *Risk – lack of transparency.*
- The existing arrangements for reminding Councillors to keep their entries in the Register up to date require review – the Guidance states that reminders should be issued at least every six months. *Risk – failure to comply with the revised Guidance on the Councillors Code of Conduct.*

1.4 Summary

Our review of Members’ Gifts and Hospitality has identified that the arrangements in place are operating satisfactorily. Detailed findings are contained in our main audit report.

Mala Garden
Internal Audit Manager

March 2015

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.1	Management should ensure that information about the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Councillors' Code of Conduct and the roles of the Standards Commission and the Public Standards Commissioner is made available to the public as required by the Guidance issued by the Standards Commission.	Low	Democratic Services Manager	Councillors' Code of Conduct and associated guidance to be displayed more prominently on Council website		May 2015
3.2.3	Management should ensure that reminders are sent to Councillors at least every six months advising them to keep their entries in the Register under review.	Low	Democratic Services Manager	Reminder to be issued to Councillors every six months advising them to keep their Register under review		March 2015
3.4.1	Members declaring the acceptance of gifts and hospitality should be encouraged to complete the pro-forma Declaration of Receipt of Gifts and/or Hospitality form in place.	Low	Democratic Services Manager	Councillors to be advised as regards completing the pro-forma for the Declaration of Receipt of Gifts and/or Hospitality		March 2015

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.