

## Report for Resolution

<b>Report to</b>	Council	<b>Item</b>
	25 September 2012	
<b>Report of</b>	Head of legal & democratic services	<b>7</b>
<b>Subject</b>	Annual Report of the Monitoring Officer	

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### Purpose

To summarise the key work carried out from 1 April 2011 to 31 March 2012 and provide an assurance that the Council's control measures to the areas which are the responsibility of the monitoring officer are adequate and effective.

### Recommendations

To receive the annual report of the Monitoring officer..

### Financial Consequences

There are no direct financial consequences of this report.

### Corporate and service priorities

The report helps to meet the corporate priority "Value for money services".

### Contact Officers

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### Background Documents

None

# **Report**

## **1. Introduction and background**

- 1.1 The Monitoring Officer's Annual Report supports the assurance statements, included in the Annual Governance Statement. It provides a review of the Monitoring Officer's work as part of the Council's governance arrangements and system of internal control.
- 1.2 The chief responsibilities of the Monitoring Officer can be summarised as follows:-
  - (a) a duty to report to the Council and the Cabinet in any case where the Monitoring Officer is of the opinion that any proposal or decision is or is likely to be illegal or to constitute maladministration;
  - (b) a range of functions relating to Member conduct;
  - (c) specific functions under the Council's Constitution.
- 1.3 The ability of the Monitoring Officer to undertake this role effectively depends on excellent working relations with colleagues and Members and on the flow of information and access to debate particularly at early stages. The scope of the work also extends to partnership arrangements.

## **2. Monitoring Officer Annual Report**

- 2.1 The Monitoring Officer's Annual Report summarises matters arising from the Monitoring Officer's work for the City Council in 2010/2011 and comments on other current issues.
- 2.2 Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the fundamental principles of openness, integrity and accountability together with the overarching concept of leadership. In this respect, Norwich City Council recognises the need for sound corporate governance arrangements and over the years has put in place policies, systems and procedures designed to achieve this. The City Council has adopted a Code of Corporate Governance as a means of drawing together all the positive elements of corporate governance which it already has in place.
- 2.3 The Monitoring Officer is appointed under Section 5 of the Local Government and Housing Act 1989 and has a number of statutory functions in addition to those more recently conferred under the Local Government Act 2000 and subsequent regulations concerning local investigations into member conduct, including the Localism Act 2011.

### **3. Key messages**

#### **1. 3.1 The key messages to note from the year are:**

- Between 1 April 2011 and 31 March 2012, none of the council's elected or co-opted members was found to have breached the code of conduct for members. One case was brought to standards via a standards assessment sub-committee which called for an investigation. However a standards (consideration & hearing) sub-committee considered that there had not been a breach of the member code of conduct.
- This year the standards committee considered the new legislation regarding code of conduct and standards out of the Localism Act 2011. A local code of conduct based on the seven Nolan principles has been developed. A new Standards Committee is to be formed at the 25 September 2012 meeting of the Council.
- Contained in the new regulations is the new criminal offence created relating to failure to register or declare interests. Additional training is being planned for members on the declaration of pecuniary and non-pecuniary interests.
- All councillors have received guidance on the new code of conduct and formal training is being arranged.
- The Monitoring Officer has continued to give advice to individual members regarding member behaviour and conduct concerns.
- The systems of internal control administered by the Monitoring Officer including compliance to the Code of Corporate Governance and the Council's Constitution were adequate and effective during the period of this report.
- The Council has arrangements in place to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful i.e. the Monitoring Officer approves all reports to the Cabinet, Council and committees and is consulted on policy development.
- There are standing orders, standing financial regulations and a scheme of delegation for members and officers in place and these are reviewed and updated as appropriate.
- The Council is proactive in raising the standards of ethical conduct among members and staff, including the provision of ethics training and has put in place arrangements for monitoring compliance with standards of conduct across the Council including:
  - Code of Conduct for Local Government Employment
  - Code of Conduct for Members
  - Protocol for Members/Officers Working Arrangements

- Register of interests
- Register of gifts and hospitality
- Complaints procedure
- Whistle-blowing Policy
- Fraud Policy
- The Council can demonstrate that its members and staff exhibit high standards of personal conduct. Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and staff are making appropriate disclosures in the registers and that they are reviewed by the Monitoring Office on a monthly basis. Additional training is also given to Managers.
- The Council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct and fraud and corruption.
- The Whistle-blowing Policy demonstrates the Council's commitment to providing support to whistleblowers and has been communicated to staff and those parties contracting with the Council; as does the Council's Fraud Policy.
- The Legal Team is run in partnership with Norfolk County Legal Services with the role of Monitoring Officer remaining with the City Council. The Legal Team is accredited to the Law Society's Lexcel quality standard and has arrangements in place to ensure the quality of the service provided.
- Reports have been provided to the old Standards Committee (and will be to the new committee once formed) and ad hoc reports on major legislative and governance issues are provided to the Corporate Leadership Team.
- The Monitoring Officer has access to all reports to the Corporate Management Team and has the right to attend and be heard.
- The Monitoring Officer has provided governance and probity advice /training to Directors, Heads of Service and Managers. In addition, such training is given to new entrants into the Council.
- An adopted Monitoring Officer Protocol is in place at the council.
- The Deputy Monitoring Officer has responsibility for managing Ombudsman complaints.

#### 4. Results of the Monitoring Officers work - 1 April 2011 to 31 March 2012

4.1 Over the period, the Monitoring Officer has carried out the following tasks to ensure the effectiveness of his role :-

DUTIES	EXAMPLES
Had regular meetings with each of the Chief Executive and Head of Finance, in order to review current and likely future issues with legal, constitutional or ethical implications.	During the period the constitution was updated to reflect service and departmental changes etc.
Maintained good liaison and working relations with the District Auditor.	The District Auditor would be consulted if reportable incidents arose.
Ensured that the City Council is kept up to date on new legislation and changes in the law which are relevant to the carrying out of the Council's activities.	This will generally take the form of reports to Members and briefing notes to Corporate Leadership Team but where appropriate will involve training sessions for relevant Members and Officers.
The Monitoring Officer has been consulted at an early stage on new policy proposals and on matters, which have potentially significant legal implications.	The Monitoring Officer is regularly consulted on new policy proposals.
All draft reports to the Cabinet are as a matter of routine cleared by the Monitoring Officer or senior staff.	All reports are routinely forwarded to the Monitoring Officer and Democratic Services staff by service areas and are reviewed for their legal and ethical implications.
The Monitoring Officer has been informed of all emerging issues of concern of a legal, ethical or constitutional nature.	Directors and Heads of Services are aware that they must consult the monitoring officer on all legal, ethical or constitutional matters and they regularly do so.
Similarly, members have ensured that the Monitoring Officer is routinely informed and consulted in respect of new policy proposals.	Members can rely on the fact that all reports are routinely reviewed by the Monitoring Officer.
The Monitoring Officer has sought to resolve any potential illegality by identifying alternative and legitimate means of achieving the objective of the proposal.	The Monitoring Officer and the Solicitor to the Council regularly advise on the legality and/or appropriateness of administrative procedures and the legitimate means of achieving the objectives.

In appropriate cases, and to secure the rapid resolution of a potential reportable incident or avoid a separate statutory report, the Monitoring Officer receives a full set of papers for the CLT and is entitled to attend meetings to advise.	
Where the Monitoring Officer receives a complaint of a potential reportable incident, he must in appropriate cases seek to resolve the matter amicably, by securing that any illegality or failure of process is rectified. However, it is recognised that the Monitoring Officer may decide that the matter is of such importance that a statutory report is the only appropriate response.	There have been no incidents requiring a statutory report during this period.

## **5. Overall opinion on the adequacy and effectiveness of the Governance framework**

- 5.1 That the systems of internal control administered by the Monitoring Officer including the Code of Corporate Governance and the Council's Constitution, were adequate and effective during the period covered by this interim report for the purposes of the latest regulations.

## **6. Background**

- 6.1 In 2001 CIPFA and SOLACE produced a framework of good governance for use in local government. The framework recommended that local authorities review their existing governance arrangements and report annually on their effectiveness in practice. This is done through the Audit Committee.
- 6.2 The guidance accompanying the framework aims to assist the Council in testing its governance structures against the principles in the new framework by:-
- Reviewing existing governance arrangements against the framework.
  - Developing and maintaining an up to date local code of governance, including arrangements for ensuring its ongoing application and effectiveness.
  - Preparing a governance statement on an annual basis in order to report publicly on the extent to which we comply with our code, including how we have monitored the effectiveness of the governance arrangements in the year, and on any planned actions in the coming period.

## **7. The Code of Governance**

- 7.1 The CIPFA and SOLACE guidance note sets out a schedule to assist in putting the good governance principles into practice. It describes what the council's code of governance should now contain and gives examples of source documents, good practice and other means that may be used to demonstrate compliance.
- 7.3 The corporate leadership team has reviewed the framework and guidance. It has now been approved in order that section 3 of the framework now forms the basis of the code of governance for the council.
- 7.4 One of the purposes of the new annual governance statement is to report publicly on the extent to which the council complies with the code.
- 7.5 The effectiveness of the Council's governance arrangements is assessed using the principles in the code.

## **8. The Annual Governance Statement**

- 8.1 The evidence to support the Annual Governance Statement is gathered, reviewed and reported by the head of finance.
- 8.2 The annual governance statement is approved by the Audit Committee in June each year.
- 8.3 The review of governance arrangements is reported through the audit committee.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Council
<b>Committee date:</b>	25 September 2012
<b>Head of service:</b>	Philip Hyde
<b>Report subject:</b>	Annual report of the monitoring officer
<b>Date assessed:</b>	13.09.2012
<b>Description:</b>	To summarise the key work carried out from 1 April 2011 to 31 March 2012 and provide an assurance that the Council's control measures to the areas which are the responsibility of the monitoring officer are adequate and effective.



	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The role of monitoring and advising on standards helps prevent discrimination and harassment.
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A core aspect of the role of monitoring officer is to alert the Council and Cabinet where any proposal or decision is likely to be illegal or constitute maladministration, as such bringing positive benefits to the area of risk management.

Recommendations from impact assessment	
Positive	
Negative	
No impact	
Issues	