

**Report to** Council  
26 November 2013  
**Report of** The monitoring Officer  
**Subject** Annual report of the monitoring officer

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**Item**

**8**

### **Purpose**

To summarise the key work carried out from 1 April 2012 to 31 March 2013 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.

### **Recommendation**

To receive the annual report of the monitoring officer.

### **Corporate and service priorities**

The report improves the council's corporate governance framework and helps to protect the interests of the council.

### **Financial implications**

There are no direct financial consequences of this report.

### **Contact officers**

Philip Hyde  
Head of law and governance

01603 212440  
philiphyde@norwich.gov.uk

### **Background documents**

None

# Report

## Introduction and background

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 Norwich city council's ('the council') governance arrangements and system of internal control.
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.
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.

## Monitoring officer annual report

4. The monitoring officer's annual report summarises matters arising from the monitoring officer's work for the council in 2012/2013 and comments on other current issues.
5. 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, the 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 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.
6. 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.

## Key messages

7. The key messages to note from the year are:

- a) Between 1 April 2012 and 31 March 2013, none of the council's elected or co – opted members was found to have breached the code of conduct for members.
- b) The standards committee considered the changes within legislation regarding code of conduct and standards out of the Localism Act 2011.
- c) In accordance with the code of conduct outlined in the Localism Act 2011 the appointment of an Independent person to standards committee was approved at the Council meeting of 25 September 2012. A reserve Independent person was appointed at Council on 26 March 2013.
- d) Contained in the new regulations is the new criminal offence created relating to failure to register or declare interests. Additional training was planned for members on the declaration of pecuniary and non-pecuniary interests in June 2013.
- e) All councillors are trained in the code of conduct for members as part of the council's training and development programme, as well as the induction process for newly elected members.
- f) The monitoring officer has continued to give advice to individual members regarding member behaviour and conduct concerns.
- g) 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. However, recommendations to review the constitution have been considered by the constitution working party.
- h) 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 considers all reports to the Cabinet, Council and committees and is consulted on policy development.
- i) 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.
- j) 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:
  - i) Code of conduct for local government employment
  - ii) Code of conduct for members
  - iii) Protocol for members/officers working arrangements

- iv) Register of interests
- v) Register of gifts and hospitality
- vi) Complaints procedure
- vii) Whistle-blowing policy
- viii) Fraud policy
- k) The council can demonstrate that its members and staff exhibit high standards of personal conduct. Members and officers are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and officers are making appropriate disclosures in the registers and that they are reviewed by the monitoring officer on a monthly basis. Additional training is also given to managers.
- l) The council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct and fraud and corruption.
- m) The whistle-blowing policy demonstrates the council's commitment to providing support to whistleblowers and has been communicated to officers and those parties contracting with the council; as does the council's fraud policy. These policies will be reviewed and updated when appropriate.
- n) The legal team is run in partnership with Norfolk county legal services (Norfolk public law - 'NPLaw') which provide deputy monitoring officer's to the 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.
- o) Reports have been provided to the standards committee and ad hoc reports on major legislative and governance issues are provided to the corporate leadership team.
- p) The monitoring officer has access to all reports to the corporate leadership team and has the right to attend and be heard.
- q) The monitoring officer has provided governance and probity advice/training to executive heads of service, heads of service and managers. In addition, such training is given to new entrants into the council.
- r) A monitoring officer protocol is in place at the council.
- s) The monitoring officer is the link officer for Local Government Ombudsman contact.

## Results of the Monitoring Officers work - 1 April 2012 to 31 March 2013

8. 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 the chief executive in order to review current and likely future issues with legal, constitutional or ethical implications.	The constitution was updated to reflect service and departmental changes.  1:1 meetings with the CEO take place on a monthly basis.
Maintained good liaison and working relations with the external auditor.	The external auditor would be consulted if reportable incidents arose and a report on outstanding claims is made each year.
Ensured that the 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 functions.	This will generally take the form of reports to members and briefing notes to the 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 officers.	All reports are routinely forwarded to the monitoring officer and democratic services officers 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.  Similarly, members have ensured that the monitoring officer is routinely informed and consulted in respect of new policy proposals.	Executive heads of service 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.  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 with input from NPLaw 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	The monitoring officer attending the corporate leadership team meeting on 26 September 2012 to advise on legal performance.

DUTIES	EXAMPLES
monitoring officer receives a full set of papers for the corporate leadership team 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.

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

9. 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.

### **Background**

10. 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.
11. In 2012, CIPFA and SOLACE reviewed the framework and produced an addendum which is reflected in the annual governance statement for 2012-13. There are a number of additions to the key elements of the governance arrangements, which have been included in section 3 of the annual governance statement.
12. The guidance accompanying the framework aims to assist the council in testing its governance structures against the principles in the new framework by:-
  - a) Reviewing existing governance arrangements against the framework.
  - b) Developing and maintaining an up to date local code of governance, including arrangements for ensuring its ongoing application and effectiveness.
  - c) 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.

## **The Code of Governance**

13. 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.
14. 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.
15. 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.
16. The effectiveness of the Council's governance arrangements is assessed using the principles in the code.
17. The monitoring officer chairs the corporate governance group.

## **The Annual Governance Statement**

18. The evidence to support the annual governance statement is gathered, reviewed and reported by the chief finance officer (section 151 officer).
19. The annual governance statement and supporting evidence is considered by the corporate leadership team and the monitoring officer.
20. The annual governance statement is approved by the audit committee in June/July each year.
21. 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

Committee:

Committee date:

Head of service:

Report subject:

Date assessed:

Description:



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

	Impact			
Eliminating discrimination & harassment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	