

<b>Report to</b>	<b>Standards committee</b>
	02 July 2019
<b>Report of</b>	Monitoring officer
<b>Subject</b>	Annual Report of the Monitoring Officer

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Item

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### **Purpose**

To summarise the key work carried out to 15 June 2019 and provide an assurance that the council's control measures for the areas which are the responsibility of the monitoring officer are adequate and effective.

### **Recommendation**

To consider the 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**

Rachel Crosbie, monitoring officer, Nplaw

01603 222313  
rachel.crosbie@norfolk.gov.uk

### **Background documents**

None

## **Report**

### **Introduction and background**

1. The monitoring officer's 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 Council and 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 nplaw colleagues, Statutory officers, the corporate leadership team, officers at Norwich City Council, Group Leaders and all members and on the flow of information and access to debate particularly at early stages.

### **Monitoring officer annual report**

4. The monitoring officer's report summarises matters arising from the monitoring officer's work for the Council from June 2018 to June 2019 and comments on other current issues.
5. The monitoring officer was appointed deputy monitoring officer on 23 February 2016 and the monitoring officer on 22 March 2016. Since the retirement of the previous deputy monitoring officer in December 2017, the monitoring officer has identified a need for another deputy monitoring officer. However, in January 2019 the council appointed 4 of the city council directors to be deputy monitoring officers if there is a conflict of interest.
6. 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 which is frequently reviewed as a means of drawing together all the positive elements of corporate governance which it already has in place. Audit lead on the Annual Governance Statement but with support from the monitoring officer and other senior officers.
7. 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.

8. The key messages to note are:

- a) Between June 18 to present, none of the council's elected members was found to have breached the code of conduct for members requiring an investigation or a referral to the Standards Committee.
- b) There have been matters referred to the monitoring officer but these have been dealt with informally. Officers from nplaw stood in for the monitoring officer during the period of November 2018 to March 2019.
- c) 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. Training on code of conduct last occurred in May 2019. Councillors also had a general training session in June 2019 which referred to the code of conduct. Democratic Services are arranging other relevant sessions later in the year.
- d) The monitoring officer has continued to provide advice to individual members regarding member behaviour and conduct concerns. Including advising on possible conflicts, dispensations and interests, and was encouraged by the questions and clarification sought by members.
- e) The systems of internal control administered by the monitoring officer including compliance with the code of corporate governance and the council's constitution were adequate and effective during the period of this report.
- f) The monitoring officer considers all reports to cabinet and council. It is important that officers or members flag up any concerns or potential issues at an early stage, ideally before it gets to the report stage.
- g) 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 scheme of delegation is currently being reviewed by internal audit. The monitoring officer has agreed to feed into this.
- h) 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) There is a program of training in place for members, new councillors undertake an induction programme with the following sessions; general information and practicalities, including the constitution, the big picture policy and budget framework, officer and member working and the role of the ward councillor around key services and progressing casework. There is specific training for members of committees, chairs and vice chairs and mandatory safeguarding training for all.
- v) Changes to the Constitution are frequently referred to the director of business services where there are minor matters which then can be implemented. More complex changes go to the constitution working party.
- vi) Introduce a social media policy for Councillors
- vii) Register of interests
- viii) Register of gifts and hospitality
- ix) Complaints procedure
- x) Whistle-blowing policy
- xi) Fraud policy
- i) 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. Members and officers are making appropriate disclosures in the registers and in some cases have referred potential offers of hospitality and gifts to the monitoring officer. Additional training is also given to managers.
- j) The council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct and fraud and corruption. Human resources (HR) would deal with if it's an employee matter and the fraud team from LGSS will deal with if it's a form of financial fraud.
- k) 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. The monitoring officer has worked with audit and HR and referred matters under the policy. These have progressed and been reported to cabinet and audit. Recommendations have been reported.
- l) The legal team is run in partnership with Norfolk county legal services (Norfolk public law - 'NPLaw') which provide monitoring officer and deputy monitoring officers 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. In addition to providing monitoring officer work, nplaw also provide legal advice relating to property, planning, commercial and employment advice.

- m) Reports have been provided to the standards committee and ad hoc reports or legal advice on major legislative and governance issues are provided to the corporate leadership team.
- n) The monitoring officer has access to all reports to the corporate leadership team and has the right to attend and contribute. The monitoring officer has attended where CLT have requested this or at the monitoring officers discretion.
- o) The monitoring officer has provided governance to directors, and heads of service.
- p) A monitoring officer protocol is in place at the council.

## **Results of the monitoring Officers work – 21 June 2015 to 15 June 2019**

Over the period, the monitoring officer has carried out the following tasks to ensure the effectiveness of the role: -

<b>DUTIES</b>	<b>EXAMPLES</b>
<p>Have regular meetings with the chief executive in order to review current and likely future issues with legal, constitutional or ethical implications.</p> <p>Started meetings with internal audit</p> <p>Recently started regular meetings with the head of finance</p>	<p>1:1 meetings with the CEO take place as required.</p> <p>Monthly 1:1 meetings with director of business services.</p> <p>Advice to CLT on matters considered significant</p>
<p>Maintained good liaison and working relations with the external auditor.</p>	<p>The external auditor would be consulted if reportable incidents arose and a report on outstanding claims is made each year. Prepare an annual report to the external auditor. Asked for further clarification on communication from the external auditor for next year.</p> <p>Meet with internal audit.</p>
<p>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.</p>	<p>This will generally be to the corporate leadership team or business managers and members.</p> <p>Important that officers raise any concerns with monitoring officer.</p> <p>Nplaw provide updates</p> <p>Monthly meetings with the director of business services.</p>
<p>The monitoring officer has been consulted at an early stage on new policy proposals and on matters, which have potentially significant legal implications.</p>	<p>The monitoring officer is consulted as required on new policy proposals.</p> <p>The monitoring officer provided dispensations and advice on conflicts throughout the year.</p>
<p>Some draft reports to the cabinet are as a matter of routine cleared by the monitoring officer or senior officers.</p>	<p>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. Monitoring officer attend monthly pre cabinet meetings when papers are prepared and discussed.</p>

<p>The monitoring officer has been informed of all emerging issues of concern of a legal, ethical or constitutional nature.</p>	<p>Members should all be aware that they must consult the monitoring officer on all legal, ethical or constitutional matters and they regularly do so. The Monitoring Officer raises this with Director of Business Services if aware it's been missed and has attended business management group to reiterate this message.</p> <p>Members can rely on the fact that the cabinet and council papers are routinely reviewed by the monitoring officer.</p>
<p>The monitoring officer has sought to resolve any potential illegality by identifying alternative and legitimate means of achieving the objective of the proposal.</p>	<p>The monitoring officer with input from nplaw advise on the legality and/or appropriateness of administrative procedures and the legitimate means of achieving the objectives. This can range from potential whistleblowing, or complaints from the public or freedom of information requests.</p>
<p>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 corporate leadership team and is entitled to attend meetings to advise.</p>	<p>The monitoring officer will attend some corporate leadership team meetings throughout the year.</p>
<p>Where the monitoring officer receives a complaint of a potential reportable incident they must in appropriate cases seek to resolve the matter amicably, by securing that any illegality or failure of process is rectified.</p> <p>However, it is recognized that the monitoring officer may decide that the matter is of such importance that a statutory report is the only appropriate response.</p>	<p>The monitoring officer does this by meeting with the appropriate parties</p>

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

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.

## **Suggestions for improving the Governance**

There are proposals which the monitoring officer wants to introduce following matters which have been referred including:

Drafting a social media policy for all members. This is in draft format.

Updating the register of gifts and hospitality.

Updating the Constitution relating to Conflicts. – It is planned to introduce training and a briefing note.

Updating the Constitution where mistakes or clarity is needed. This is ongoing.