



# Doncaster Council

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**Date: 21<sup>st</sup> June 2018**

**To the Chair and Members of the  
AUDIT COMMITTEE**

## **ANNUAL REPORT OF MONITORING OFFICER**

### **EXECUTIVE SUMMARY**

1. This paper sets out the Monitoring Officer's (MO's) Annual Report on matters relating to ethical governance, including details of any complaint handling activity carried out in consultation with the Independent Person in relation to allegations of Member misconduct, details of disclosures made under the Council's Whistleblowing Policy during the last 12 months and any reports under the Money Laundering Policy.

### **RECOMMENDATIONS**

2. It is recommended that the Committee:-
  - (i) notes the MO's annual report on complaint handling activity for the period 1st April 2017 to 31st March 2018;
  - (ii) notes the whistleblowing return for 2017/18.
  - (iii) notes the nil money laundering reports for 2017/2018.
  - (iv) Note the report on the existence and current effectiveness of the Council's ethical arrangements

### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

3. Having robust ethical governance policies and procedures in place helps to maintain openness, transparency and probity in the way in which the Council conducts its business. This in turn should help increase public confidence in local governance through maintaining high standards of conduct by Members and Officers.

## **BACKGROUND**

4. In accordance with adopted practice, this committee receives a report by the MO on an annual basis, which summarises complaint handling and ethical governance activities during the previous 12 months.

### **Councillor Complaint Handling Activity – 1st April 2017 to 31st March 2018**

5. The Monitoring Officer works closely with the Council's designated Independent Person (IP), Philip Beavers on matters of Member Behaviour and Complaints. Mr Beavers was reappointed at Full Council on 19<sup>th</sup> May 2017 as the IP for a further 4 year period until 31<sup>st</sup> May 2021 and is now paid an annual allowance of £1000 for undertaking the role. The Council also formally ratified the principle that Doncaster and the other South Yorkshire Councils are able to utilise each other's IPs in the event that their own IP is unable to act through reasons of conflict or other unavailability.

#### Borough Councillors

6. Over the last 12 months, 3 formal complaints against Borough Councillors have been received by the MO. Although the matters were not considered as breaches of the code, the Monitoring Officer spoke to the Councillors involved regarding the complaint, their behaviour and actions.

#### Parish Councillors

7. The Monitoring Officer has received 11 formal complaints against Parish Councillors during the period 1st April 2017 to 31st March 2018.
8. Of the eleven complaints received against Parish Councillors, six of these related to Parish Councillors from the same Parish Council. (During 2016-17, of the eleven parish council complaints, seven related to this same Parish Council). This Parish Council has experienced wider on-going tensions and conflicts between Parish Councillors on a range of issues which, despite the MO and IP's involvement, including on occasions visits, have persisted for a number of years. Following a number of recent resignations at the Parish Council, it is considered that the situation will now improve and the MO will continue to monitor this. It should be noted that these behaviours have resulted in significant expenses incurred by that Council for both a series of resignation sparked by-elections and the recruitment of a locum Clerk.
9. A detailed summary of all complaints dealt with by the MO in consultation with the IP during the 2017/18 Municipal Year is set out in **Appendix A** to this report.

#### **General**

10. The Monitoring Officer and the Independent Person both share the frustration of our counter-parts nationally about the lack of sanctions available to us since the changes introduced by the Localism Act 2011. A balanced regime with appropriate sanctions would provide Monitoring Officers generally to deal

with issues they come across and would encourage complainants to share their issues in the knowledge that a satisfactory outcome was possible.

### **Whistleblowing Returns for 2017/18**

11. The MO has overall responsibility for the maintenance and operation of the Whistleblowing Policy, which includes keeping a record of all whistleblowing cases and presenting a summary of these to the Audit Committee on an annual basis.
12. The Whistleblowing policy was revised in February 2018. This applied the policy to members of the public, stakeholders, and contractors as well as employees. Whistle blowers are asked to report their concerns to named senior officers. This ensured that senior management were aware of any matters and that the correct processes were followed and reported to the Monitoring Officer for the annual report.
13. We have had 2 whistleblowing matters during 2017/18 and the detail is below.

Date	Name of officer reported to	Brief Summary of Matter	Outcome
September 2017	Scott Fawcus	Member of public concerned over excessive drinking by ex-colleague in educational establishment.	Matter investigated by Head of Service in Education and no further action taken as allegations not proven.
February 2018	Scott Fawcus	Member of public reported racist comments made on Facebook by a employee who dealt with the public	Matter dealt with by HR processes

### **Anti- Money Laundering Returns for 2017/18**

14. Money laundering is the method by which cash or funds obtained illegally are passed or “laundered” through financial systems to disguise their criminal origin. The “laundered” funds can then be used for legitimate transactions that do not arouse suspicion. The Council’s Anti-Money Laundering Policy has been revised due to changes in the law in 2017 and the revised Policy is presented to the Committee as a separate report today. Where an officer suspects (or knows) that money laundering activity is taking place it must be reported to the Money Laundering Reporting Officer, who is the Monitoring Officer, and obtain advice and permission to continue the transaction.
15. For the period April 2017 to March 2018 there have been no reports made to the Money Laundering Reporting Officer.

## Existence and current effectiveness of the council's ethical arrangements

16. Audit Committee has asked for a report on the existence and effectiveness of the Council's ethical arrangements. As a Local Authority we operate through a governance framework enshrined in our Constitution and associated policies which brings together an underlying set of legislative requirements, governance principles and management processes. The Council has a strong regulatory framework in existence and robust arrangements for monitoring and review. The Constitution includes rules of procedure, the schemes of delegation, financial regulations, contracts regulations, rules on access to information and the protocols for members and officers.
17. Key aspects to this ethical approach are openness which aims to encourage confidence and a readiness to disclose leading to prompt scrutiny and action; integrity reflecting an honesty and veracity in professional standards and approach; and accountability where all understand their responsibilities within a robust structure. Standards of conduct are seen as one of the key aspects of good governance and the Councillor Code of Conduct and the Whistleblowing policy are intended to encourage reporting of poor standards. It is considered that our good governance is demonstrated by:
- Communication- clear policies on ethical issues are known and available
  - Commitment and Leadership – high ethical standards are practised by both members and officers
  - Organisation – there are clear lines of accountability and appraisal
  - Systems – there are procedures in place to ensure high ethical standards
  - Scrutiny – there avenues which act as a check on unethical behaviour
  - We ensure that Partners and contractors subscribe to high ethical standards
  - Training –member and officer training promotes ethical behaviour

## OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

- 18 Not applicable – this report is primarily for noting.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

- 19.

Outcomes	Implications
<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>The work of the Audit Committee in monitoring the Council's ethical governance activities helps to:</p> <ul style="list-style-type: none"> <li>• ensure that Council arrangements are open, accountable and ethically</li> </ul>

	<p>strong;</p> <ul style="list-style-type: none"> <li>• promote high standards of conduct;</li> <li>• build a 'bond of trust' between the Council and its communities.</li> </ul>
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## **RISKS AND ASSUMPTIONS**

20. There are no identified risks associated with this report.

## **LEGAL IMPLICATIONS [Officer Initials...HP... Date...02/05/18.....]**

21. Section 27(1) of the Localism Act 2011 places a duty on relevant authorities to promote and maintain high standards of conduct by Members and Co-opted Members of the authority.
22. Section 28 of the Localism Act 2011 requires Principal Authorities to have in place arrangements for investigating allegations of Member misconduct and taking decisions on those allegations. It also requires Councils to appoint at least one Independent Person who is to be consulted as part of the complaint handling process. The Council has in place arrangements for discharging these arrangements.
23. Whistleblowing protection for workers is provided in the Public Interest Disclosure Act 1998, incorporated into the Employment Rights Act 1996, and amended by the Enterprise and Regulatory Reform Act 2013. It gives protection from detrimental treatment of workers who disclose reasonable concerns about serious misconduct or malpractice at work. Workers are protected from detrimental treatment if their disclosure qualifies as a 'protected disclosure'. In order to ensure that they qualify for protection, the worker should follow a certain procedure as set out in our Policy.
24. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on 26 June 2017. They implement the EU's 4th Directive on Money Laundering. In doing so, they replace the Money Laundering Regulations 2007 and the Transfer of Funds (Information on the Payer) Regulations 2007 which were previously in force.

## **FINANCIAL IMPLICATIONS [Officer Initials...LR..... Date...02/05/18.....]**

25 There are no specific financial implications associated with this report.

## **HUMAN RESOURCES IMPLICATIONS [Officer Initials MLV Date 03/05/18.]**

26. There are no specific HR implications in relation to the parts of this report which refer to complaints made against elected members and anti-money laundering returns.

Whistleblowing complaints which relate to the conduct of council employees are dealt with in line with the appropriate HR policy and procedure and any action taken, as appropriate, within the framework of the relevant policy.

## **TECHNOLOGY IMPLICATIONS [Officer Initials...PW Date...03/05/18]**

27. There are no technology implications in relation to this report

## **HEALTH IMPLICATIONS [Officer Initials...RS. .Date ...02/05/18...]**

28. There are no direct health implications arising from this report. However, good governance is a key marker of high performing and healthy organisations. This report also describes openness and transparency in the Council which is a building block of a 'fit for purpose' local health system.

## **EQUALITY IMPLICATIONS [Officer Initials...SF... Date...30/05/18.]**

29. There are no specific equalities implications associated with this report.

## **BACKGROUND PAPERS**

Whistleblowing Policy  
Code of conduct for Councillor  
Anti-Money Laundering Policy

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