



Doncaster Council

Date: 19th June 2019

**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 2018/19;
 - (ii) notes the whistleblowing return for 2018/19.
 - (iii) notes the nil money laundering reports for 2018/2019.

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 2018 to 31st March 2019

5. The Monitoring Officer works closely with the Council's designated Independent Person (IP), Philip Beavers on matters of Member Behaviour and Complaints.

Borough Councillors

6. Over the last 12 months, 2 formal complaints against Borough Councillors have been received by the MO. One complaint was not considered to be a breach of the code and the Monitoring Officer spoke to the Councillor involved regarding the complaint. One matter was considered sufficiently serious to warrant further investigation and this matter is on-going.

This report only details those complaints which followed the Council's policy & were submitted on the Code of Conduct complaints form. Other matters were brought to the attention of the Monitoring Officer and were dealt with appropriately.

Parish & Town Councillors

7. The Monitoring Officer has received eight formal complaints against Parish & Town Councillors during the period 1st April 2018 to 31st March 2019.
8. It was noticeable that of those eight complaints received against Parish & Town Councillors, they all relate to Councillors from just two Councils. This is a worrying development and has necessitated in action being taken by the Monitoring Officer. The Monitoring Officer and the Independent Person attended a meeting of one of the Town Councils and addressed the members about the issues of Councillor behaviour and complaints. It was clear from that visit that the Town Council was otherwise acting extremely effectively but that the behaviour of two members potentially soured that. Since that visit no further complaints have been received.

The other Town Council continues to be an issue and members of this Committee will recall the Audit Committee (Hearings Sub-Committee) which took place during January 2019, when three Hatfield Town Council Councillors were censured as to their behaviour and had sanctions imposed against them as a result of that behaviour. Sadly the situation at that particular Town Council has not yet improved and complaints continue to be received, often on a tit-for-tat basis.

On a more positive note, most Town & Parish Councils in Doncaster do not appear on my radar and that point should be noted by the Committee.

9. A detailed summary of all complaints dealt with by the MO in consultation with the IP during 2018/19 is set out in **Appendix A** to this report.

General

10. In previous reports, the Monitoring Officer and the Independent Person have expressed their frustration about the lack of sanctions available to us since the changes introduced by the Localism Act 2011. Monitoring Officers and commentators have long suggested that the return of a balanced standards regime with appropriate sanctions would provide Monitoring Officers with the ability to deal with issues they come across and would encourage complainants to share their issues in the knowledge that a satisfactory outcome was possible. During the past year, the Committee on Standards in Public Life have published a supportive report and have recommended to Government that it is time to provide Monitoring Officers with greater powers such as the power of suspension from office. The proposals also suggest introducing more standardised Code of Conduct to deal with local variations and dealing with the number of social media based complaints. These proposals will require Government legislation and I am happy to update the Committee as matters develop.

Whistleblowing Returns for 2018/19

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 inclusion in the annual report.
13. We have had one whistleblowing matter during 2018/19 as detailed below.

Date	Name of officer reported to	Brief Summary of Matter	Outcome
April 2018	Peter Jackson (Head of Audit)	Member of public concerned over the background to a planning permission.	Matter investigated by Head of Audit and no further action taken as allegations not proven.

Anti- Money Laundering Returns for 2018/19

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 and obtain advice and permission to continue the transaction.

15. For the period April 2018 to March 2019 there have been no reports made to the Money Laundering Reporting Officer.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

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

IMPACT ON THE COUNCIL’S KEY OUTCOMES

- 17.

Outcomes	Implications
<p>Connected Council:</p> <ul style="list-style-type: none"> • Working with our partners and residents to provide effective leadership and governance 	<p>The work of the Audit Committee in monitoring the Council’s ethical governance activities helps to:</p> <ul style="list-style-type: none"> • ensure that Council arrangements are open, accountable and ethically strong; • promote high standards of conduct; • build a ‘bond of trust’ between the Council and its communities.

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS [Officer Initials...NC... Date...03/06/19]

19. 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.
20. Section 28 of the Localism Act 2011 requires Principal Authorities to have in place arrangements for investigating allegations of Member misconduct (both Members of the Council and Parish/Town Councils in the Borough) 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.
21. 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.

22. 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 and replace earlier Regulations which were previously in force. A key difference with the new Regulations is that they require the adoption of a more risk based approach towards anti-money laundering. Whilst the new Regulations do not directly place specific responsibilities on local authorities in respect of money laundering, it is accepted best practice for the Council, as a guardian of public finances, to comply with the spirit of the legislation and put in place appropriate anti-money laundering safeguards.

FINANCIAL IMPLICATIONS [Officer Initials...S Fairburn Date...03/06/19.]

- 23 There are no specific financial implications associated with this report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date 7/6/2019]

24. 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.

EQUALITY IMPLICATIONS [Officer Initials...SRF... Date...1/06/19.]

25. 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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