



Report of the Assistant Chief Executive (Corporate Governance)

Standards Committee

Date: 16th October 2008

Subject: Parish and Town Council Annual Audit 2007

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1. The purpose of this report is to outline the final results of the Parish and Town Council Annual Audit and proposals for addressing these results.
2. The questionnaire asked questions about the ethical arrangements in place at their authority and required them to provide sample documents to support their answers.
3. As these results are quite diverse and complex, a profile has been created. This enables Parishes to be compared against one another. The profile also includes information regarding the number of complaints and investigations involving each Parish.
4. The Monitoring Officer, the Chair of the Standards Committee and at least one of the Parish and Town Council representatives on the Standards Committee will be meeting soon to discuss these results and take the relevant action. The Monitoring Officer and the Chair of the Standards Committee will report back to the Standards Committee in due course on the results of the profile and any action taken.
5. Members of the Standards Committee are asked to:
 - Consider the information contained in this report; and
 - Note the intention of the Monitoring Officer and the Chair of the Standards Committee to consider the Parish profiles and report back to the Standards Committee in due course.

1.0 Purpose Of This Report

1.1 The purpose of this report is to outline the final results of the Parish and Town Council Annual Audit and proposals for addressing these results.

2.0 Background Information

2.1 The questionnaire asked questions about the ethical arrangements in place at their authority and required them to provide sample documents to support their answers.

2.2 The questions covered four main areas:

- Adoption of the new Code of Conduct
- Acceptance of office and registration of interests
- Declarations of interest
- Training on the Code of Conduct

2.3 Clerks were asked to provide sample acceptance of office forms, extracts from the register of interests, and copies of minutes showing the recording of a declared interest.

2.4 All Parishes returned their completed audit form. However several Parishes were unable to produce the sample documents for various reasons.

3.0 Main Issues

Results of the Audit

Section 1 - Adoption of the new Code of Conduct

3.1 All authorities were required to adopt the new Code of Conduct by 1st October 2007, otherwise the revised Code of Conduct was imposed on them. This set of questions sought to establish that all authorities had adopted the revised Code and completed their statutory duties surrounding its adoption.

3.2 **Has your Parish or Town Council adopted the revised Members' Code of Conduct?**

All 30 respondents answered 'yes' to this question.

3.3 **Do all your Members have access to a copy of the Members' Code of Conduct adopted by your Council?**

All 30 respondents answered 'yes' to this question.

3.4 **Have you notified the Standards Board for England that you have adopted the revised Code and in what format?**

All 30 respondents answered 'yes' to this question.

3.5 **Have you placed a public notice in a local newspaper advising the public that you have adopted a new Code of Conduct?**

28 respondents answered 'yes' to this question. Two Parish Councils answered 'no'. The legislation states that all authorities must place a public notice in one or more newspaper circulating in the area of the authority as soon as reasonably practicable.

All Clerks were provided with advice on this through the Standards Board Bulletin, Town and Parish Standard, and from Leeds City Council in the form of an email or letter providing details of the statutory requirements and some example wording. The specific training sessions on the new Code of Conduct for Clerks which took place in June and July 2007 also explained the practical requirements of the new Code in full.

Section 2 – Acceptance of office and registration of interests

- 3.6 These questions sought to establish that all Councillors had agreed to abide by the Code of Conduct, that the register of interests had been updated in line with the new Code, that it was available for public inspection and that it was being regularly reviewed.
- 3.7 **Have all your Members signed their Acceptance of Office form (including an agreement to abide by the Code of Conduct) within two months of their election or co-option? If no, please explain the reason for this.**

All 30 respondents answered 'yes' to this question, and all but one Parish Council were able to provide a sample copy which all complied with the requirements of the Code.

The Local Government Act 1972 states that if Councillors fail to complete their Acceptance of Office form within two months of the election or co-option, they cease to be Councillors and a by-election is required. Electoral Services have confirmed that all Councillors of this Parish were re-elected in this municipal year in an uncontested election. According to the legislation, Councillors still need to complete an Acceptance of Office form, even when they are elected in an uncontested election.

Parish and Town Council Clerks were provided with guidance on this subject through the Induction Toolkit produced by the Corporate Governance Team, and advice on this matter is also provided by the Electoral Commission.

- 3.8 **Does your Council have a register of interests?**

All 30 respondents answered 'yes' to this question. All but one of these were also able to provide at least one sample from their register, five of which were in the old format and did not include the requirement for Members to register their gifts and hospitality in the public register.

One Parish Council was unable to provide a sample as there are "no entries registered" according to the Clerk.

All Councils have been provided with a new template for the register of interests both through correspondence and as part of the Induction Toolkit provided to all Clerks at the beginning of the municipal year. The specific training sessions on the new Code of Conduct for Clerks which took place in June and July 2007 also explained the practical requirements of the new Code in full.

3.9 **Have you updated your register of interests with the new format? i.e. does it now include a requirement to register gifts and hospitality?**

26 respondents answered 'yes' to this question, and it was evident from the samples provided that the other four Parish Councils had not done so.

3.10 **Do you allow the public and other Members to view the Register of Interests? If yes, please explain how are the public able to access the register.**

All Councils answered 'yes' to this question. The majority of Councils explained that a member of the public would have to apply to the Clerk to see the register, and a few stated that notices explaining this are placed on notice boards in the Parish. Those with Council offices stated that the register was available for inspection during office hours. No Councils had the register available on their website.

3.11 **Have all your Members completed the Register of Interests within 28 days of their election or co-option? If not, please explain the reason for this.**

28 respondents answered 'yes' to this question. Two Parish Councils answered 'no'. The reasons provided for the delays are outlined below:

"The Parish Council were awaiting official notification of the result of the election (never received) but undertook completion of the register at the next meeting in June."

"Completed within 2 months of election, at the next Council meeting in June (typically 5-7 meetings per year)."

Although one of the Parish Councils answered 'yes' to this question, they also provided the following comment:

"All delayed until after the adoption of the new Code on 25th July 2007"

which suggests that the register of interest forms (under the previous Code of Conduct) were not completed in the required 28 days of the election.

All Clerks were notified of the deadlines for completion of the Register of Interests through the Standards Board Bulletins, the Town and Parish Standard, correspondence from Leeds City Council and the Induction Toolkit. The specific training sessions on the new Code of Conduct for Clerks which took place in June and July 2007 also explained the practical requirements of the new Code in full.

3.12 **Do you have arrangements in place to regularly remind Members to review and update their Register of Interests? If yes, please explain what these arrangements are.**

29 respondents answered 'yes' to this question. One Council answered 'no' to this question.

Every year Clerks have been reminded of the need to ensure the Register of Interests is up to date and have been asked to confirm that Members' have reviewed their entry. In this letter Clerks are also advised to remind Members on a quarterly basis where possible.

The majority of Clerks have informed us that a reminder is featured on the Council's agenda on a regular basis. One Clerk also monitors the Register on a monthly basis in addition to the reminders as part of the Council agenda.

Section 3 – Declarations of Interest

3.13 These questions sought to establish how Members are reminded of the need to declare their interests and how these interests are being recorded.

3.14 **Is Members' declaration of interests a standard item on your Parish or Town Council agenda? If no, please explain how Members are reminded of the requirement to declare interests at meetings.**

25 respondents confirmed that declarations of interest were a standard item on their Council's agenda, the remaining five said that it was not. These five provided the following explanations as to how their Members are reminded of the requirements to declare their interests:

"It is not a documented item - it is stated at the start of the meeting verbally."

"Members are asked to declare interests in agenda items."

"Councillors are aware of the requirement and as a Parish Council other Members would be aware of each others interests, as would the Clerk and would act accordingly."

"By a reminder at the annual Parish Meeting."

"Through register reminders."

Another Parish Council also stated that declarations of interest are considered at the start of the Clerk's report (an item on every agenda), and that agendas are reviewed by the Chairman and the Clerk prior to the meeting whereby known conflicts of interest are identified, which sounds similar to the aide memoir system in operation at Leeds City Council.

3.15 Respondents were also asked to provide an extract from their minutes which showed the recording of a declared interest. 26 respondents were able to provide a sample, whereas four Parish Councils had never had an interest declared at their Council and were therefore unable to provide a sample.

Of those 26 samples provided, 16 contained an error of some sort. These errors related to either the type of interest not being recorded (personal or personal and prejudicial), a reason for the interest not being provided, or no action being recorded (i.e. the Councillor therefore left the room and took no part in the discussion or vote on the matter), or a combination of the above. Some samples did record a type of interest and an action, but these did not correspond with each other.

3.16 In Leeds, Governance Officers are given the following advice when recording declarations of interest in minutes:

"Note the exact circumstances in detail i.e.

- What is the interest?
- Is it personal or personal and prejudicial?

- Did the member concerned speak and/or vote?
- Did the member withdraw from the meeting? (An absolute requirement for prejudicial interests)

Minute the disclosure in full identifying all the above circumstances.”

It is proposed that this advice is provided to Clerks to Parish and Town Councils so that minutes are clearer and more accurate.

Section 4 – Training on the Code of Conduct

3.17 These questions sought to establish what training Parish Councillors had received on the new Code of Conduct, what the source of the training was and whether any further training was required.

3.18 **Have any of your Members received training on the new Code of Conduct? If yes, who provided this training?**

18 respondents stated that they had received training on the new Code of Conduct. The majority of this training seems to have been provided by Leeds City Council, although three Parish Councils had also received training from the Yorkshire Local Councils Association, and one Parish Council has been trained by their Clerk.

A further 12 respondents stated that they had received no training on the Code of Conduct, although one Parish Council stated that they had used the literature and DVD from the Standards Board for England despite receiving no formal training.

3.19 **Would any of your Members like to take part in further training on the Code of Conduct? If no, what is the reason for this?**

13 respondents answered ‘yes’ to this question, 16 respondents answered ‘no’, and the final Council did not provide an answer. For one of the Parish Councils further training is not necessary as all Councillors have now been trained by the Clerk. Two Parish Councils stated the reason for not wanting further training as ‘work commitments’.

The other reasons provided were as follows:

“No specific reason, Members felt that the Code was quite self-explanatory.”

“Experienced Councillors satisfied with documentation received.”

“Clerk has attended training. Never had an issue. Prefer to seek help as and when queries arise.”

“The two untrained Members are long serving and consider they have been adequately briefed.”

“They believe they understand the Code from reading the booklet provided by the SBE and the explanation I gave them after their training session!!!”

“Members have had access to all the literature from Leeds City Council, Standards Board for England and YLCA.”

“The untrained Member is long serving and considers they have been adequately briefed.”

“Councillors feel clear about the Code from the information already provided, and would therefore not be interested in further training.”

“Current documentation is available plus debriefing from Members who have attended formal training is thought sufficient at this time.”

“The Clerk attended training provided by Leeds City Council at Civic Hall. Members are content to rely on the Clerk to monitor Code of Conduct issues and to ensure that all requirements falling upon Members are fulfilled, as necessary.”

“[This] Parish Council does not wish to be considered for Quality Parish Status.”

“With respect, when this has been discussed the Councillors, all volunteers, didn't feel this had any bearing on their work, and they were all well adjusted adults who know the difference between right and wrong.”

- 3.20 The 13 Councils who have indicated that they would like to take part in further training have not been offered any so far. This is because of the resource issues which existed within the Corporate Governance Team, which have now been resolved.

Parish Council Audit outcomes

- 3.21 As these results are quite diverse and complex, a profile has been created. This enables Parishes to be compared against one another. The profile also includes information regarding the number of complaints and investigations involving each Parish.
- 3.22 The profile gives an indication as to how well each Parish has complied with each of their legal and Code of Conduct obligations. The assessment areas are:
- Has the Parish adopted the new Code of Conduct?
 - Do Members have a copy of the Code?
 - Has the Clerk notified the Standards Board?
 - Has the Clerk placed a notice in the local paper?
 - Have all Members signed acceptance of office forms within 2 months of the election?
 - Does the Council have a Register of Interests?
 - Is the Register up to date?
 - Are the public able to see the Register?
 - Have all Members registered their interests within 28 days of their election?
 - Does the Clerk remind Members to update their register?
 - Is the declaration of interests a standard agenda item?
 - Are the minutes of declared interests accurate?
 - Have Members been trained on the new Code of Conduct?

- Has the Clerk been trained on the new Code of Conduct?
- Would the Parish Council take part in further training?
- Have there been any complaints regarding the Code of Conduct involving this Council?
- Have there been any investigations involving this Council?

3.23 The Monitoring Officer, the Chair of the Standards Committee and at least one of the Parish and Town Council representatives on the Standards Committee will be meeting soon to discuss these results and take the relevant action (as outlined below):

- Those from the best performing Councils will be congratulated on their results and perhaps asked whether they would like to work with the Standards Committee in order to assist some of their neighbouring Councils.
- Those Councils who have some weaknesses in their score, but are not of particular concern to the Monitoring Officer and Chair, will be provided with additional guidance and assistance to address those areas.
- Those who are identified as being poor performers will be asked to meet with the Monitoring Officer, the Chair of the Standards Committee, and the Parish representatives on the Committee to highlight the importance of their obligations and to discuss what help and assistance they require.

3.24 The Monitoring Officer and the Chair of the Standards Committee will report back to the Standards Committee in due course on the results of the profile and any action taken.

3.25 The success of these actions will be monitored by a second audit to be started in June 2009. The results of future Parish and Town Council Audits will be presented to the Standards Committee in the form of public reports.

4.0 Implications For Council Policy And Governance

4.1 It is part of the Standards Committee Terms of Reference to promote, monitor and review and Codes of Conduct and to provide advice and guidance to Members and officers and to make arrangements for training in matters relating to codes of conduct and protocols.

4.2 It is essential that Parish and Town Councils are assisted with complying with their legal duties in order to maintain high standards of governance, and to ensure public confidence in local democracy.

5.0 Legal And Resource Implications

5.1 There are resource implications to providing the additional training that has been requested as part of the Annual Audit, although it is anticipated that these can now be met from within existing resources.

5.2 The legal implications to this report are as set out in the main body of the report.

6.0 Conclusions

- 6.1 The questionnaire asked questions about the ethical arrangements in place at their authority and required them to provide sample documents to support their answers.
- 6.2 As these results are quite diverse and complex, a profile has been created. This enables Parishes to be compared against one another. The profile also includes information regarding the number of complaints and investigations involving each Parish.
- 6.3 The Monitoring Officer, the Chair of the Standards Committee and at least one of the Parish and Town Council representatives on the Standards Committee will be meeting soon to discuss these results and take the relevant action. The Monitoring Officer and the Chair of the Standards Committee will report back to the Standards Committee in due course on the results of the profile and any action taken.
- 6.4 The success of these actions will be monitored by a second audit to be completed in June 2009.

7.0 Recommendations

- 7.1 Members of the Standards Committee are asked to:
- Consider the information contained in this report; and
 - Note the intention of the Monitoring Officer and the Chair of the Standards Committee to consider the Parish profiles and report back to the Standards Committee in due course.

Background documents referred to in this report

Governance Services Guidance Notes for Staff

Standards Board for England Bulletin 33 (May 2007) and Bulletin 34 (July 2007) both available at <http://www.standardsboard.gov.uk/Publications/TheBulletin>

Standards Board for England Town and Parish Standard Issue 1 (September 2007) available at <http://www.standardsboard.gov.uk/Publications/TownandParishStandard/>