

<b>Title of Report</b>	<b>DRAFT MEMBER CONDUCT ANNUAL REPORT</b>	
<b>Presented by</b>	Elizabeth Warhurst Head of Legal & Commercial Services and Monitoring Officer	
<b>Background Papers</b>	<p>Localism Act 2011  <a href="http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted">http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</a></p> <p><a href="#">Current NWL Code of Conduct</a></p> <p>Available on the Council's website and in the Constitution  <a href="http://www.nwleics.gov.uk">www.nwleics.gov.uk</a></p>	<b>Public Report:</b> Yes
<b>Purpose of Report</b>	To receive and note the draft Annual Report and authorise the Head of Legal & Commercial Services and Monitoring Officer to make any minor amendments before being recommended to Council.	
<b>Recommendations</b>	<p><b>(1) THAT THE DRAFT MEMBER CONDUCT ANNUAL REPORT 2019/20 BE RECEIVED AND NOTED;</b></p> <p><b>(2) THAT AUTHORITY BE DELEGATED TO THE HEAD OF LEGAL AND COMMERCIAL SERVICES AND MONITORING OFFICER TO MAKE ANY MINOR AMENDMENTS TO THE REPORT FOLLOWING COMMENTS FROM THE AUDIT AND GOVERNANCE COMMITTEE;</b></p> <p><b>(3) THAT COUNCIL BE RECOMMENDED TO ENDORSE THE MEMBER CONDUCT ANNUAL REPORT 2019/20.</b></p>	

## 1.0 INTRODUCTION

- 1.1 It is important that the work of the Audit and Governance Committee should be visible to the Authority and wider public. It is felt that the annual report acts as a helpful tool in communicating the work undertaken by the Audit and Governance Committee to the public and to Members.
- 1.2 The Committee is recommended to receive and note the draft Member Conduct Annual Report 2019/20 and authorise the Head of Legal and Commercial Services and Monitoring Officer to make any necessary amendments following comments from this Committee before being recommended to Council for endorsement.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Supporting Coalville to be a more vibrant, family-friendly town Support for businesses and helping people into local jobs Developing a clean and green district Local people live in high quality, affordable homes Our communities are safe, healthy and connected
Policy Considerations:	Code of Conduct and Constitution
Safeguarding:	N/A
Equalities/Diversity:	Detailed in the Annual Report attached as an appendix.
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	By receiving this information members will be able to manage risks of misconduct.
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# **MEMBER CONDUCT ANNUAL REPORT 2019-20**

## 1. Introduction

This is the Member Conduct Annual Report of North West Leicestershire District Council's Audit and Governance Committee and covers the period from 1 April 2019 to 31 March 2020.

In addition to the responsibilities detailed in the Terms of Reference below, the Audit and Governance Committee promotes high standards of conduct by District Council Members and Members of Town / Parish Councils in North West Leicestershire. The Audit and Governance Committee complies with the requirements of the Localism Act 2011, the Regulations and the guidance provided under that legislation, together with Council's adopted Arrangements.

On 27 June 2012 Council adopted the North West Leicestershire Code of Conduct for Members which had been drafted by Members for Members. The Code incorporates all the legislative requirements under the Localism Act 2011 in relation to Disclosable Pecuniary Interests together with retaining the personal obligations in existence under the previous regime.

## 2. Audit and Governance Committee Terms of Reference

**Membership:** Ten District Councillors

**Quorum:** Three District Councillors

### **Terms of Reference during the 2019-2020 financial year:**

#### Statement of purpose

1. The Audit & Governance Committee is a key component of North West Leicestershire District Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of the Audit & Governance Committee is to provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment. It provides independent review of North West Leicestershire District Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit arrangements, helping to ensure efficient and effective assurance mechanisms are in place.

#### Governance, risk and control

3. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
5. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
7. To monitor and provide scrutiny over the effective development and operation of risk management in the council.

8. To monitor progress in addressing risk-related issues reported to the committee such as the Corporate Risk Register.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
11. To monitor the Anti-Fraud and Corruption strategy, actions and resources.

#### Internal audit

12. To approve the internal audit charter.
13. To approve (but not direct) the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
14. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
15. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
16. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
17. To consider progress reports from the head of internal audit on internal audit's performance during the year
18. To consider the head of internal audit's annual report, including the statement of the level of conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme that supports the statement. Fundamental to the annual report is the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion. These will assist the committee in reviewing the Annual Governance Statement.
19. To consider summaries of specific internal audit reports in accordance with agreed protocols.
20. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
21. To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
22. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

#### External audit

23. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised.

24. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
25. To consider specific reports as agreed with the external auditor.
26. To comment on the scope and depth of external audit work and to ensure it gives value for money.

#### Financial reporting

27. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
28. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
29. To seek assurances that the council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.

#### Accountability arrangements

30. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
31. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
32. To publish an annual report on the work of the committee.

<b>Functions</b>	<b>Matters reserved for a Decision</b>
The Council has determined under the powers conferred on it by Section 28(6) of the Localism Act 2011 to appoint an Audit and Governance Committee and it has the following roles and functions:	To determine any issues referred to the Committee (except for any matter reserved to the Council).
Promoting and maintaining high standards of conduct by councillors and co-optees  Assisting the councillors and co-optees to observe the Members' Code of Conduct  Advising the Council on the adoption or revision of the Members' Code of Conduct  Monitoring the operation of the Members' Code of Conduct  Advising, training or arranging to train councillors and co-opted members on matters relating to the Members' Code of Conduct  Granting dispensations to councillors who require such dispensations for more than	

<p>one meeting or on more than one occasion from requirements relating to interests set out in the Members Code of Conduct as appropriate</p> <p>Dealing with any report from the Monitoring Officer on any matter concerning Governance</p> <p>To establish Sub-committees for the Assessment of Determination of matters concerning allegations of Members Conduct</p> <p>And in addition the Audit and Governance Committee also oversees the ethical framework of the Council including oversight of:</p> <ul style="list-style-type: none"> <li>• the Whistle Blowing Policy</li> <li>• complaints handling</li> <li>• Ombudsman investigations</li> </ul>	
To exercise the above functions for the parish councils wholly or mainly in its area and the members of those parish councils.	

### **Sub-committees of the Audit and Governance Committee**

All Audit and Governance Committee members will form a pool from which members will be drawn based on their availability and the requirements of the particular Sub-committee as and when required.

#### **Assessment Sub-committee**

Assessment of complaints in accordance with the Council's Guidance and to either:

- Accept the Monitoring Officer's recommendation of no failure to comply with the Code of Conduct
- Refer the matter for full investigation
- Refer the matter for other action

#### **Review Sub-committee**

Consideration of requests for a review in accordance with the Council's Guidance.

#### **Determinations Sub-committee**

To receive reports from the Monitoring Officer or her appointed investigating officer and to decide either:

- To determine finding of no failure to comply with the Code of Conduct
- To determine finding of failure to comply with the Code of Conduct and impose relevant sanctions
- Refer the matter for other action

in accordance with the Council Guidance

### **3. Composition**

## **District Councillors**

All appointed by Council on 21 May 2019

**Chairman:** Councillor V Richichi

**Deputy Chairman:** Councillor D Harrison

Councillor C Benfield

Councillor D Bigby

Councillor J Clarke

Councillor L Gillard

Councillor S Gillard

Councillor M Hay

Councillor S Sheahan

Councillor M Wyatt

## **Parish Representatives**

Following the District and Parish elections in May 2019 nominations for Parish Representatives have been sought from all Town and Parish Councils to fill the four seats. Seven nominations were received and a ballot is currently being held to select the representatives. The ballot closes on Friday, 13 March 2020 and the count will be held prior to the next meeting.

## **Independent Persons**

The legislation requires the Council to appoint at least one Independent person who potentially advises all those involved in a Standards complaint, including the Monitoring Officer, and who must be consulted prior to the determination of a complaint.

Through an open advertising process conducted with partner authorities the Council appointed the following pool of independent persons from whom one can be drawn as and when required:

Michael Pearson

Mark Shaw

Christine Howell

Gordon Grimes

Richard Gough

The main officer support for the Committee is provided by the Monitoring Officer (Elizabeth Warhurst), the Deputy Monitoring Officer (Elisabeth Tomlinson) and the Democratic Support Officer (Rachel Wallace).

## **4. Meetings and Work Programme**

The Audit and Governance Committee meets a minimum of four times per annum. In addition to its scheduled meetings, sub committees still meet on an ad hoc basis in order to consider and determine allegations of Member conduct. The Committee has its main work planned in advance through a Work Programme which enables it to be more proactive, strategic and focused in its approach to key issues.

## **5. Reporting Arrangements**

The Audit and Governance Committee receives quarterly reports which have enabled Members to be reminded of the issues it has dealt with during each quarter and address any issues which this has highlighted.

## **6. Procedures and Workloads**



**(a) Dispensations**

During 2018/19, there were no applications received for a dispensation from either District or Parish members.

**(b) Complaints made to the Monitoring Officer under the Code of Conduct during 2019/20**

Complaints made: 1

by Members of the Public	0
by Parish Councillors	0
by District Councillors	1
by Parish Clerk	0
by Council Officer	0

Complaints against:

a Parish Councillor	0
a District Councillor	1

From the above mentioned complaints:

1 complaint was resolved informally:

This complaint related to unprofessional conduct of a councillor.

0 complaints were withdrawn:

0 complaints are at informal resolution stage:

**(c) Complaints referred to the Standards Assessment Sub Committee**

From the above-mentioned complaints: - None

**(d) Members' Register of Interests**

The Democratic Services Officers undertake regular checks of the Register of Members' Interests and provide advice and assistance to Parish Councils on the completion of the Registers.

**(e) Advice and Training**

The Monitoring Officer and Deputy Monitoring Officer continue to provide both parish and district members with advice, both proactively and on request, on member's interests and all aspects of corporate governance.

Following the District and Parish Council Elections in May 2019, training on the Code of Conduct was offered to all District and Parish Members.

Training is also currently being provided to members on all aspects of data protection and freedom of information.

## **7. Policies & Procedures**

The Audit and Governance Committee oversees the ethical framework of the Council including oversight of:

- the Whistle Blowing Policy

- complaints handling
- Ombudsman investigations.
- Freedom of Information and Data Protection

**Elizabeth Warhurst  
Monitoring Officer**

**Councillor V Richichi  
Chairman**

#### **OUR VISION**

North West Leicestershire will be a place where people and businesses feel they belong and are proud to call home

**Legal and Support Services  
North West Leicestershire District Council**