

INTERNAL AUDIT REPORT

DECLARATION OF INTEREST

1. INTRODUCTION/OBJECTIVES

- 1.1. The objective of the audit was to evaluate the procedures in place with a view to providing assurance to the Authority over the adequacy of the internal control environment and ensure compliance with the staff Code of Conduct with regards to completing the Declarations of Interest form in line with the Audit Plan for 2021/22.
- 1.2. The audit was undertaken to complement the wider Thematic audit review into the staff starter processes.
- 1.3. This report includes an audit opinion and a risk rating category, further details of which are contained in Appendix A.

2. SCOPE OF THE AUDIT

- 2.1. To undertake a review of the procedures in place in relation to the Declaration of Interest form and to ensure it is meeting the above objectives.

3. BACKGROUND

- 3.1 To ensure compliance with the Council's Officer Code of Conduct it is necessary for all employees to complete the Declaration of Interest Form and declare if they have an interest or potential interest.
- 3.2 Conflicts of interest may occur if a decision of the Council could affect you directly, or indirectly via close friends and relatives, either positively or negatively.
- 3.3 If a relationship may give rise to a real or perceived conflict of interest, trust issue or breach of confidentiality you must declare it to your line manager or other appropriate person, in confidence, as soon as you can.

4. AUDIT FINDINGS

4.1. Declaration of Interest

- 4.1.1. During the audit, a sample of 80 employees from all Directorates within the Authority were examined and the following findings were identified:
 - Of the 80 sampled, 30 employees' (37.5%) failed to respond confirming that a Declaration of Interest form has been completed to declare if they have an interest or potential interest.
 - Of the 50 employees that did respond, 27 (54%) requested a Declaration of Interest form to be issued during the audit indicating they did not have a valid form. In addition, 4 employees (8%) confirmed that they did not have a valid form in place at the time at the time of audit.

- 4.1.2. It was noted during the audit that the current form available within the officer Code of Conduct does not provide instruction for staff to declare 'No' interest and the policy does not confirm the frequency of completion. It is advised that the policy/form is amended and strengthened to ensure staff write 'None' if there is no interest to declare and the form is signed and dated on an annual basis as a minimum or where there has been a change in circumstances.
- 4.1.3. Management should consider updating the policy to reflect the above changes and provide instruction and guidance for a responsible officer to review and maintain the completed Declaration of Interest forms submitted by all employees in future.

5. RISKS AND AGREED ACTIONS

Ref	Summary of findings	Risk	Agreed Action	Client Management Comments	Person Responsible and Target Date
4.1.1.	Of the 80 employees sampled, 30 employees' (37.5%) failed to respond confirming that a Declaration of Interest form has been completed.	<p>High: Not able to obtain assurance that Declaration of Interest have been completed correctly in accordance with Council requirements.</p> <p>Declarations of Interest may not have been completed in instances where they should have been formally recorded.</p>	Relevant information will be disseminated to all DMTs for departments to implement actions where appropriate.		Departmental Management Team – 6 Months
4.1.1.	Of the 50 employees that did respond, 27 (54%) requested a Declaration of Interest form to be issued during the audit indicating they did not have a valid form. Along with 4 employees (8%) confirmed that they did not have a valid form in place at the time at the time of audit.	<p>High: Not able to obtain assurance that Declaration of Interest have been completed correctly in accordance with Council requirements.</p> <p>Declarations of Interest may not have been completed in instances</p>	Relevant information will be disseminated to all DMTs for departments to implement actions where appropriate.		Departmental Management Team – 6 Months

		where they should have been formally recorded.			
4.1.2.	It was noted during the audit that the current form available within the staff Code of Conduct does not provide instruction for staff to declare 'No' interest and the policy does not confirm the frequency of completion. It is advised that the policy/form is amended and strengthened to ensure staff write 'None' if there is no interest to declare and the form is signed and dated on an annual basis as a minimum or where there has been a change in circumstances.	<p>High: Declaration of Interests may not have been completed in instances where they should have been formally recorded.</p> <p>May be a lack of formal evidence that each employee has considered whether they require to make a declaration.</p> <p>Declarations may be out of date / not current.</p>	Organisational Development will review the policy and make appropriate amendments.		Head of Organisational Development – 6 Months
4.1.3.	Management should consider updating the policy to reflect the above changes and provide instruction and guidance for a responsible officer to review and maintain the completed Declaration of Interest forms submitted by all employees in future.	<p>High: There may be a lack of consistency across the Council in how forms are completed and stored.</p>	Organisational Development will review the policy and make appropriate amendments.		Head of Organisational Development – 6 Months.

6. CONCLUSIONS

- 6.1. This audit report is compiled from the results of 80 employees examined and consequently the only points made are whereby weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

7. INTERNAL CONTROL STANDARD GRADING

- 7.1. In accordance with the standard grading set out in Appendix A, the systems examined indicate that internal controls across the Authority and the policy in respect of the Declaration of Interest needs to be reviewed and strengthened. Weaknesses have been identified that require actions to be implemented. The grading is therefore assessed as **'Limited Assurance'**.