



### Regularity audit of declaration of interest arrangements

**Committee**            Audit and Standards

**Date of meeting**    30 August 2019

**Date of report**    21 August 2019

#### Report by Assistant Chief Executive

##### 1. Object of report

To advise the committee on the findings of a regularity audit of declaration of interest arrangements. This engagement is included in the annual Internal Audit plan for 2019/20.

##### 2. Background

Members, directors and employees are required to make a declaration of interest, where appropriate, as part of SPT business.

The Ethical Standards in Public Life etc. (Scotland) Act 2000 establishes a framework for securing the observance of high standards of conduct by councillors and other persons holding public appointments. From this legislation, the Partnership has a Code of Conduct for Members which details declaration of interest arrangements.

The Companies Act 2006 (as amended) sets out directors' duties in a statutory code. This act places a duty on directors to promote the success of the company whilst making a declaration of interest in existing or potential transactions and/or arrangements.

The Code of Conduct for Employees contained within the Governance Manual outlines the minimum standards of conduct employees must follow. This code requires employees to declare relationships with contractors and personal interests and relevant disclosure arrangements.

The objective of this engagement was to review the declaration of interest arrangements.

This engagement tested elements of the internal controls and mitigation against SPT 22: Governance arrangements, as identified in the Corporate Risk register.

##### 3. Outline of findings

Engagement testing (July 2019) found that Codes of Conduct are well established for both members and employees of SPT. These codes and Standing Orders provide procedural guidance on declaration of interest arrangements.

The Standards Commission for Scotland has recently provided an advice note and flowchart to members on making a declaration of interest.

As part of a regular exercise, all employees are reminded of their responsibilities in relation to declaration of interest and related matters.

The engagement identified a requirement to refresh awareness of declaration of interest arrangements.

There is an area for improvement and this area has been addressed by a recommendation. The Partnership Secretary has implemented this recommendation.

#### 4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of declaration of interest arrangements. One recommendation has been agreed and implemented from this engagement.

Key controls exist and are applied consistently and effectively in most areas tested in this engagement.

Sound assurance in most areas covered can be taken from this engagement.

**Note:** A separate report titled 'Code of Conduct for Members' will be presented to the next Partnership meeting on 20 September 2019.

#### 5. Committee action

The committee is asked to note the contents of this report.

#### 6. Consequences

Policy consequences	<i>In accordance with the Standing Orders and Codes of Conduct for Members and Employees.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>

**Name** Valerie Davidson

**Name** Gordon MacLennan

**Title** Assistant Chief Executive

**Title** Chief Executive

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

**Sound assurance  
in most areas**

### Agreed action plan: Regularity audit of declaration of interest arrangements

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	<u>Member guidance</u> The Partnership Secretary should re-issue the Standards Commission for Scotland guidance to members on Declaration of interest arrangements (i.e. advice note and flowchart).	Low	The Standards Commission for Scotland advice note for members on ' <i>how to declare interests</i> ' was issued to all SPT members on 31 August 2017.  This advice note and supplementary flowchart was issued as a professional briefing to all members in July 2019.	Partnership Secretary	Implemented

**High:** A fundamental control that should be addressed as soon as possible;

**Medium:** An important control that should be addressed within three months;

**Low:** An issue which is not fundamental but should be addressed within six months to improve the overall control environment.