



## **Corporate Governance – Register of Members' Interests**

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29 March 2010

### **Purpose of report**

- 1 To respond to the recommendation in the Audit Scotland report on the Board's 2008/09 final accounts on the establishment of a separate register of interests for members of the Lothian Valuation Joint Board.

### **Background**

- 2 The external auditors, Audit Scotland, noted that the Board did not maintain a separate register of interests for its members and recommended that this be implemented. They considered there was a risk that members may put themselves in a position of having a conflict of interest and that a separate register was necessary to ensure this risk was adequately managed.

### **Main Report**

- 3 The Ethical Standards in Public Life Etc (Scotland) Act 2000 requires every local authority and devolved public body to draw up and maintain a Register of Interests for elected members. Guidance on interests to be registered (pecuniary or otherwise) is provided through the Code of Conduct issued by the Standards Commission for Scotland. The Code makes it clear that it is the responsibility of members to make sure that they are in compliance with the requirements of the law, standing orders of the relevant authority and the guidance on the Code.
- 4 Members complete a form on election to office with their respective Council and the Register is updated regularly. Each of the Board's constituent Councils makes the Register available on their websites.
- 5 As far as memberships of Joint Boards are concerned, members should be aware that an interest may arise that is peculiar to their membership of that Board but which may apply within their Council – for example on property interests. This point is made in briefings with members with advice being not to confine the registration of interests to those which relate solely to the Council's area. Again, any such matters would need to be the subject of a declaration of interest at the specific meeting at which the matter may be due for consideration.

## **Conclusion**

- 6 The key issue here is that the external auditor is looking for the Board to put measures in place to manage the risk of members potentially putting themselves in the position of having a conflict of interest.
- 7 I consider that this can be adequately managed by utilising the existing Registers of Members' Interests maintained by the constituent Councils. It can be achieved by creating a link from the members' area on the Lothian Valuation Joint Board website to the existing registers maintained by those constituent Councils.
- 8 As a further risk management measure, I propose to arrange to write annually to members reminding them to update the Register of Members' Interests to include any specific interests relating to their membership of Lothian Valuation Joint Board.
- 9 This process would avoid the unnecessary duplication of establishing and maintaining a separate Register of Members' Interests. Also maintaining all information on one Register, with appropriate links, would be significantly more effective and user friendly.
- 10 Whether or not members have registered an interest they are still required to declare any interests should they arise when considering issues at meetings of the Joint Board.

## **Recommendations**

- 11 That the Chief Executive and Clerk make the necessary arrangements to insert a link against each member on the Lothian Valuation Joint Board website to the Register of Members' Interests on the relevant constituent Council website.
- 12 To note that the Chief Executive and Clerk would write annually to each member reminding them that the Register should include any specific interests relating to their membership of the Lothian Valuation Joint Board.
- 13 To advise Audit Scotland of the action taken.



**Tom Aitchison**  
Chief Executive and Clerk

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<b>Appendices</b>	None.
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<b>Background Papers</b>	Minute of Meeting of the Lothian Valuation Joint Board of 7 December 2009 (item 4)  Auditor's Report and Accounts 2008/2009.