

ETHICAL GOVERNANCE AUDIT

SUMMARY REPORT

Project Sponsor

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Project team

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1. Background

Ensuring the highest possible standards of conduct is part of the Council's five core values (integrity).

Ethical governance audits were carried out in 2002, 2003 and 2006 making reference to the Improvement and Development Agency's (IDeA) framework.

As previously agreed by the Standards Committee a further ethical governance audit has been undertaken. Internal Audit carried out an audit in relation to a number of key issues. Further work was carried out by the Head of Corporate Governance and Legal Services in terms of obtaining detailed feedback from members and officers on a number of questions relating to ethical governance. The group of officers then met to assess these findings and consider all other relevant information to assess the effectiveness of the Council's ethical governance arrangements.

This work has been carried out under the auspices of the Standards committee, which has a duty to promote high ethical standards.

2. Methodology

The work of the group was informed by the IDeA's Ethical Governance Framework. The framework is summarised in Section 3 below.

In using that model, the group sought/took evidence from:-

- Members of the Standards Committee
- Other Members of the Authority
- The Employee Panel – the make up of the panel reflects the make up of the work force as a whole
- The previous ethical governance audit in 2006
- The latest Use of Resources Assessment by the Audit Commission
- Employee Survey – 2007
- Standards Committee's existing action plan
- The Council's Constitution
- The latest annual Audit and Inspection Letter (Audit Commission)
- IDeA feed back in relation to our recent Equality assessment
- Its own perceptions

3. The IDeA's Ethical Governance Framework

The latest version of the IDeA's framework uses a series of questions on ethical matters under the following broad headings:

- Leadership, behaviour and styles
- Communication
- Accountability
- Relationships
- Management of Standards
- Team Working and Co-operation

When drawing up the respective questionnaires for both Members and Officers regard was had to this IDeA framework – in particular to the ethical governance light touch health check.

4. Summary of Findings

4.1 Leadership, Behaviour and Style

Key Strengths

- Strong political and managerial leadership of the Council as evidenced by external inspection/assessment – this includes an ability to make difficult decisions in challenging times
- Approximately 90% of employees in the last Employee survey in 2007 considered that the Council was indeed putting into practice its five key values – namely positive attitude, integrity, learning organisation, teamwork and excellence (this is an improvement on previous surveys)
- A very high percentage of employees (98%) in the latest Employee survey (2007) considered that the Council promotes a high level of ethical standards
- The Corporate Governance Group of Senior Officers continues to meet on a regular basis to oversee the ethical governance arrangements in the Council
- The Standards Committee has shown a willingness to take appropriate action against individual members who breach the Code of Conduct for Elected Members

- Approximately 93% of members and officers questioned were either very satisfied or fairly satisfied that members and officers show appropriate dignity and respect for their colleagues and citizens
- A values framework has recently been introduced into the Council which will be of great assistance in carrying out appraisals and for recruitment purposes. The framework focuses on the behaviour of the individual – it measures that behaviour against the Council's values
- The Council has recently attained Level 3 of the National Equality Standard – the IDeA Peer Assessors noted that there was strong leadership and commitment at every level of the organisation. The Peer Assessors also noted that employees were enthusiastic, professional and committed to delivering excellence. The Council is one of only 21 district councils in England to have attained this standard.

Areas for Improvement

- Whilst the profile of Standards Committee and that of the Monitoring Officer has clearly improved since the last ethical governance audit (over 70% of members questioned were either very satisfied or fairly satisfied with the current situation) nevertheless it is considered that there is scope for further improvement in this area

4.2 Communication

Key Strengths

- As evidenced by external inspection/assessment, communications with the public are good
- Extensive awareness training was carried out in relation to the latest Code of Conduct for Elected Members when it was introduced in 2007
- Further training has been provided in relation to the declaration of members' Interests
- Awareness training has been provided to all managers in relation to the Corporate Governance agenda
- There are protocols to support the Code of Conduct for Elected Members

- All Standards Committee members who were questioned as part of this exercise were very satisfied with the guidance and advice that is available on ethical standards and practice
- Advice and guidance is readily available on ethical issues – this is evidenced through approximately 86% of members and officers surveyed having indicated that they would know where to go to obtain such advice and guidance
- It is widely accepted that the Standards Committee and the Monitoring Officer promote high standards (over 70% of members and officers in the recent survey agreed with this)
- Communication between Members is generally open and honest - 75% of Standards Committee members questioned consider this to be the case
- Communications between officers and members are good – in this context 73% of members and officers consider that communication between them is generally open and honest
- Confidentiality is widely respected - Over 93% of members and officers in the recent survey were of this view
- Effective use of Member News and other appropriate communication tools to disseminate information about ethical issues
- Recently members and officers have received appropriate training in relation to the new arrangements relating to the local assessment of complaints about members
- The Council's website has clear information available to the public, partners and staff relating to the complaints policy and procedures
- The Council's Standards page on the web –page has been improved and updated on a regular basis
- More work has been done to make the wider public aware of the ethical standards of the Council – apart from the Standards page we have also made use of Forward to communicate our values. Information leaflets have also been prepared and are available for the public in Gateway
- South Ribble Partnership is in the process of agreeing appropriate ethical values that partners will subscribe to
- The group considers that generally speaking the Council responds in a positive and constructive way to criticism received.

Areas for Improvement

- More work could be done to assess how well our message on ethics has been understood by the public - we should consider including in a future Citizen Panel Survey appropriate questions to cover this
- It would be helpful to explore the feasibility of utilising new modes of communication – e.g. social networking sites
- There is scope for raising the profile of the work of Standards Committee and the Monitoring Officer with employees
- More work is required to assess the effectiveness of our existing protocols dealing with ethical issues as well as considering further whether any new protocols are required – e.g. is a protocol required advising members on the use of Council's resources?
- Further training for all employees on the Officer Code of Conduct would be beneficial
- More work could be done to ensure that all our partners and sub contractors are fully aware of our whistle blowing policy
- There is a need for a plain English guide to the Constitution

4.3 Relationships

Key Strengths

- Member/officer relationships are good as evidenced by external inspection/assessment
- There are positive relationships between senior managers and members
- The profile of the Standards Committee is higher now than it has ever been (although as noted elsewhere there is scope for further improvement in this regard)
- An annual report is taken to full Council on the work of the Standards Committee
- The Leader, Senior Members and the Chief Executive are supportive of the work of Standards Committee
- The Constitution clearly defines member and officer roles/responsibilities

- The two political group leaders meet regularly with the Chief Executive

Areas for Improvement

- Consideration should be given to carrying out a Citizen's Panel Survey to assess the public perception of our ethical arrangements

4.4 Accountability

Key strengths

- Cabinet and Senior Managers continue to be supportive of the Scrutiny process e.g. regular attendance
- Cabinet members may be held to account by other councillors and the general public at Full Council , Scrutiny and other meetings
- Public Involvement is encouraged at meetings – transparency of decision making is ensured
- In the latest employee survey 99% of employees stated that people in this organisation show a positive attitude towards customers – this is an improvement on previous surveys
- In the same employee survey 97% of employees feel that the Council emphasises the importance of the customer
- Complaints against officers have been appropriately documented and investigated
- Ombudsman complaints have been appropriately documented and investigated
- Over 90% of members are either very satisfied or fairly satisfied that the majority of members and officers display an understanding of the importance of ethical standards in this Council
- Over 70% of members are satisfied that they understand the roles of the statutory officers
- The Council's website has clear information about the functions of the Council and about who is responsible for such functions

- The group considers that the Council only takes reports as exempt items when it is strictly necessary and in accordance with the requirements of statute

Areas for Improvement

- If complaints about officers were centrally recorded it would improve knowledge of officer behaviour

4.5 Management of Standards

Key strengths

- The Standards Committee continues to produce and implement an annual plan to promote/monitor high ethical standards and review progress
- This is the fourth ethical governance audit since 2000
- The Standards Committee produces an annual report on ethical standards in the Council
- The Chief Executive, the Monitoring Officer and employees in the Corporate Governance service area are readily accessible to advise members on ethical issues
- There is a good level of knowledge amongst members of the need to declare an interest (over 80% of members questioned felt well informed on this issue)
- Likewise there is good understanding amongst members on the need to register an interest (over 90% of members feel either very well informed or fairly well informed about how to register an interest)
- Over 86% of members and officers consider themselves to be either very well informed or fairly well informed about how to register any gifts and hospitality
- New improved procedures relating to employees declaring and registering interests were introduced in 2008/2009

- All alleged breaches of the Code of Conduct for Elected Members have been appropriately investigated as evidenced by the work carried out by Internal Audit
- All investigations into alleged breaches of the Code of Conduct for Elected Members have been documented – this is also evidenced by the work of Internal Audit
- The new arrangements for the local assessment of complaints about members has been successfully introduced into the Council – all necessary legislative requirements and deadlines have been met
- An updated suite of documents relating to the Corporate Governance agenda (including Money Laundering Policy, Fraud Response Plan, Prosecutions Policy) exists
- The Council's surveillance regime (its policy in relation to the Regulation of Investigatory Powers Act 2000) was subject to external assessment in 2007 – the Surveillance Commissioner was very positive about our arrangements. The Surveillance Commissioner approved of our approach of only utilising these powers when they were strictly necessary.

Areas for Improvement

- Further training for employees on ethical issues is clearly desirable. This could include training on a number of issues including guidance on how and when an employee's interests ought to be declared.
- There remains scope for further improving our approach to contracts in particular with regard to references to ethical standards

4.6 Team working and Cooperation

Key strengths

- Constructive challenge is welcomed by members/managers
- An effective member induction programme took place after the May 2007 elections and the necessary arrangements for induction are in place for those candidates who are successful in the 4 June 2009 by elections
- CMT induction is undertaken for all new employees including an emphasis on ethical issues

- CMT induction is undertaken for all new members – this include guidance on the Code of Conduct
- Internal Audit has found that employee induction processes have been satisfactorily completed
- NW Charter for Member development awarded in 2005
- Investors in People standard held since 1998
- Bite sized training events have been provided for members – this included training on ethics issues i.e. declaration of interests
- Various Training events have been provided for members of Standards Committee
- Training has also been undertaken for members of Planning and Licensing Committees
- The group considers that we have a good working relationship with the parish councils in our area. South Ribble Borough Council's Monitoring Officer also acts in that capacity for the parishes.
- All members who responded to the survey are either very satisfied or fairly satisfied with the ethics and standards training that has been provided
- Over 70% of members agree (or tend to agree) that ethical standards are promoted by Members
- Over 80% of members agree (or tend to agree) that there is sufficient clarity between the roles and responsibilities of members and senior officers
- The group considers that there is an absence of any blame culture in the Council – the emphasis is on learning from any mistakes that may occur
- Over 93% of employees in the 2007 employee survey considered that teamwork values were being applied in the Council (this is an improvement on previous surveys)

Areas for Improvement

- Consideration should be given to providing short refresher training sessions on key issues for members of long standing
- We ought to consider providing our partners with training on ethical issues

4.7 Overview

There has been considerable change in the ethics agenda in recent years – most notably with the introduction of the local referral regime by the Local Government and Public Involvement in Health Act 2007. This makes comparisons with previous audits a rather difficult exercise. That said the general feeling of the group of officers working on this project is that significant progress continues to be made here. In particular the local referral regime was successfully introduced in 2008 without any serious difficulties.

Whilst there is no scope for complacency nevertheless it is noteworthy that our strengths significantly outweigh any perceived weaknesses.

Several areas for improvement have been identified which shall inform Standards Committee's new action plan.

5. Recommendations

It is recommended that:

- 1) The Standards Committee considers and comments on the contents of this summary
- 2) A new action plan for further improving the already high ethical standards present in this Council be prepared to reflect the actions identified above. A draft action plan will be presented to the next meeting of Standards Committee for their approval
- 3) A further ethical governance audit is undertaken in 2011/2012

6. Monitoring and Review

Progress on the revised action plan will be monitored and reviewed by the Standards Committee, in accordance with the corporate performance management framework