

Ethical Framework Update

Standards Committee

Date: 19 March 2007

Author: Director of Law and Democratic Services (Monitoring Officer)

Wards Affected: All

Purpose

- To provide an update on various matters related to the Ethical Framework.

Recommendation

- That the Ethical Framework update be noted.
- That the Committee approve the Ethical Audit Desktop update and agree next steps.

1. Reasons

- 1.1 To keep the Standards Committee informed of issues of probity in the Council.

2. Detail

Ethical Audit

Background Information

Corporate Governance Inspection Report - 2004

- 2.1 In January 2005, the Committee was updated on the external Corporate Governance Inspection Report 2004 as it related to the work of the Standards Committee. In summary, the report concluded that 'the Council's approach to standards of conduct is in line with government guidance and there were some strengths'. In particular, the report commented that the remit of Standards Committee is wider than that statutorily required; that staff have variable awareness of the whistle-blowing policy but are generally positive about the degree of openness and awareness in the council; and that the register of councillors interests is available for public scrutiny on the Council's website.
- 2.2 The report further commented that the Standards Committee had been pro-active and robust, and was active in implementing the code of conduct and register of interests, and that there was an acceptance of the responsibility for standards overview of parishes. The report recognised that Councillor-Officer relationships had improved greatly but the level of mutual respect between council staff and Councillors was still not quite

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where it should be to get the most from the workforce. The Committee considered it important to continue to improve in this area.

Ethical Audit – January 2005

- 2.3 The Ethical Audit Working Group of the Standards Committee carried out a desktop ethical audit of the Council on 19th January 2005 against the criteria set out in a Ethical Audit Toolkit prepared by the IDeA (Improvement and Development Agency). A copy is attached at Appendix '1'.
- 2.4 This was reviewed by the Committee in June 2005 who confirmed that this demonstrated compliance with all the elements required for the ethical framework and that all the necessary processes and procedures were in place. Key actions were agreed in relation to a small number of areas including Ethical Training for Officers, Training for Parish Councils, Members Training, and these have been carried out.

Corporate Assessment Report – October 2006

- 2.5 The Corporate Assessment of the Council carried out by the Audit Commission in 2006 concluded that decision-making is open and transparent, and appropriate mechanisms are in place and are effective in ensuring good, ethical standards are maintained. The report went on to say that Codes of conduct and protocols are in place, and action has been taken in instances of improper conduct.
- 2.6 So far as training for councillors is concerned, there is no specific reference to ethical training but the report does say that the programme for councillors needs to be developed beyond the immediate period. This has been taken into account when looking at the training programme for members and considerable work has been done in this area.

External Audit – Use of Resources 2006

- 2.7 The Swindon Borough Council External Audit 2006-07 Report was issued during February 2007. One element of the audit relates to the assessment of the Internal Controls in place in the Council, which includes the ethical framework operating within the Council.
- 2.8 Set out below are the results for the Internal Control element for 2006 compared to those provided for 2005, which shows an improvement from level 2 in 2005 to level 3 in 2006.

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Theme	KLoE ref.	KLoE description	2006 score	2005 score
Internal Control	4.1	Risk management	2	1
	4.2	Systems of internal control	3	2
	4.3	Conduct and anti-fraud and corruption	3	2
		Overall	3	2

2.9 So far as issues with which the Standards Committee is concerned, the Audit Commission advises that key strengths for internal control include: -

- the Council's standards committee plays a key role in developing the ethical framework for officers and members. The committee has monitored progress, on a quarterly basis, of the annual ethics work programme, as developed by the Council's ethical audit working group;*
- the Council has standing orders and standing financial instructions within the constitution and a scheme of delegation, these are formally reviewed and presented before Council on an annual basis. Codes of conduct have now been developed for all staff;*
- the whistleblowing policy is well publicised to all staff. Cases of whistleblowing are monitored by the Standards Committee on a quarterly basis;*
- there is a counter fraud and corruption policy to applying to all aspects of the council's business, which has been communicated throughout the council. Further processes have been put in place to raise the awareness of fraud across the Council, including the publication of quarterly fraud bulletins. Internal Audit 's annual audit plan incorporates a specific programme of work on fraud issues;*
- since March 2006, the Council has had an Audit Committee structure in place, independent of the scrutiny and executive functions, with its terms of reference set out in accordance with best practice.*

2.10 Again so far as issues with which the Standards Committee is concerned, the Audit Commission suggests that the Council needs to focus attention on the following to improve further:

- the Council will need to provide strong evidence that the anti-fraud and whistleblowing arrangements is acknowledged and understood across all departments to progress to the next level.*

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Ethical Audit – March 2007

- 2.11 The Committee requested at its meeting on 29th January 2007 that the Monitoring Officer refresh and update the desktop audit and report back to the Committee so that a gap analysis can be carried out and the Committee determine appropriate next steps. A copy of the updated Desktop Audit is attached at Appendix '3'.
- 2.12 The Committee is asked to consider the Audit in the light of the External Audit report, and the progress made in relation to Ethical Standards, and consider what further action is appropriate.

IDeA Ethical Governance Health Check

- 2.13 The Monitoring Officer recently acted as a Peer Reviewer on an IDeA Ethical Governance Health Check carried out for the London Borough of Richmond.
- 2.14 This was a very useful exercise and has informed the Desktop Audit, and the Monitoring Officer will report further at the meeting.

Standards Board Publications

- 2.15 Attached at Appendix '3' is the Standards Board Bulletin for February 2007 (Issue 32) which includes:
- details of the Code of Conduct consultation, including a summary of the key changes which have been implemented following the Standards Board's recommendations.
 - a look at the main provisions in the Local Government and Public Involvement in Health Bill which relate to standards.
 - details of this year's Annual Assembly and of the programme of roadshows across the country.
 - an invitation to get involved in pilot schemes to help the Standards Board develop its new role as a strategic regulator.
- 2.16 As agreed at the meeting of the Committee on 29th January 2007 the Monitoring Officer has written to the Standards Board to offer this Committee as a pilot in relation to the local filtering of complaints and / or developing the Standards Board's monitoring and auditing role as light touch, strategic regulator.

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Ethical Compliance Update

- 2.17 The Monitoring Officer has not been notified of any new complaints since the last meeting in respect of whistle-blowing, a breach of the Member / Officer Protocol or with regard to a breach of the Code of Conduct. Current investigations are ongoing and a further report will be made to the next meeting of the Committee.

Work Programme 2006/07 Matters:

Anti-Fraud and Corruption and Whistleblowing Policies

- 2.18 At the meeting on 29th January 2007, the Committee agreed for a consultation to take place on the revised Anti-Fraud and Corruption and Whistle-blowing Policies.
- 2.19 The Head of Internal Audit is currently consulting with Officers, External Audit, Capita, Unions and other relevant stakeholders on these policies, and will report back to the next Standards Committee for their final approval.

Revision of Media Guidelines for Members

- 2.20 In October, the Committee agreed for a consultation to take place on the revised Media Guidelines for Members, which form part of the Constitution and of the Communications Strategy.
- 2.21 The Head of Communications is currently consulting with Members on the revised Media Guidance for Members and will report back with the Guidelines for final approval to the next Standards Committee.

Review of Council Codes and Protocols

- 2.22 As part of the Work Programme approved in July 2006, it was agreed that the Committee would consider and review Council Codes and Protocols. It is suggested that this piece of work be included as part of the work programme for the municipal year 2007/08, in order that the principles of the New Code of Members Conduct anticipated shortly can be taken into account during the review.

Alternative Options

- None

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Risk Management

Financial and Procurement Implications

- None

Legal / Human Rights Implications

- None

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

- Monitoring of issues of probity in the Council underpins the Council's plans and policies and to the delivery of the 2010 objectives.

Consultees

- The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- Chief Executive
- Group Director, Resources
- Head of Communications
- Head of Internal Audit

Background Papers and Appendices

- Appendix 1 – Ethical Desktop Audit dated 19th January 2005
- Appendix 2 - Proposed Ethical Desktop Audit – March 2007
- Appendix 3 - Standards Board Bulletin for February 2007 (Issue 32)