



**REPORT FOR DECISION**

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| Agenda<br>Item |  |
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**MEETING:** AUDIT COMMITTEE

**DATE:** 26 FEBRUARY 2008

**SUBJECT:** REVIEW OF ETHICAL GOVERNANCE – SURVEY RESULTS

**REPORT FROM:** HEAD OF INTERNAL AUDIT

**CONTACT OFFICER:** BARRIE STROTHERS

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**TYPE OF DECISION:** Non key.

**REPORT STATUS:** FOR PUBLICATION

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**PURPOSE/SUMMARY:**

This is a report to inform Members of the results of a recent Ethical Governance Survey carried out by the Monitoring Officer.

**OPTIONS AND RECOMMENDED OPTION:**

Members are requested to note the contents of the report.

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**IMPLICATIONS -**

**Financial Implications and Risk Considerations**

A sound framework of ethical governance is fundamental to the development of a robust internal control mechanism. This is recognised in the Council's Governance Statement and increasingly in findings in Use of Resources judgements.

**Corporate Aims/Policy Framework: Do the proposals**

Yes

**accord with the Policy Framework?**

**Are there any legal implications?** No.

**Considered by Monitoring Officer:** No.

**Statement by Director of Finance And E-Government:**

**Staffing/ICT/Property:** There are no direct resource implications arising from the report.

**Wards Affected:** All.

**Scrutiny Interest:** None.

**TRACKING/PROCESS**

**DIRECTOR: Director of Finance & E-Gov**

|                                      |                               |                |          |
|--------------------------------------|-------------------------------|----------------|----------|
| Chief Executive/<br>Management Board | Executive<br>Member/<br>Chair | Ward Members   | Partners |
|                                      |                               |                |          |
| Scrutiny Panel                       | Executive                     | Committee      | Council  |
|                                      |                               | Audit 26/02/08 |          |

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## **1.0 BACKGROUND**

- 1.1 Ethical Governance refers to the process, procedures, cultures and values that ensure high standards of behaviour. To ensure a high standard of Ethical Governance is evident within the Council there are a series of codes of practice in place, including a local code of Corporate Governance and Codes of Conduct for both Members and Officers. The Authority's statement of accounts 2006/07 included a Governance Statement.
- 1.2 The Key Lines of Enquiry for the Use of Resources element of the latest CPA assessment have been amended and having taken advice from the Authority's external auditors, KPMG, an internal review has now been undertaken examining Ethical Governance. The survey was carried out using the Audit Commission's recommended method; the IDEA Ethical Governance Toolkit.

## 2.0 THE SURVEY

- 2.1 The results of the survey have been analysed by the Council's Research and Consultation Co-ordinator.
- 2.2 The detailed results of the survey are attached at Appendix A.
- 2.3 The results of the survey should be viewed with caution as the response rate was poor. In addition, a high number of Officers that did respond did so by recording a "don't know" response to many of the questions.

## 3.0 RESULTS OF THE SURVEY

- 3.1 All Members were asked to complete the questionnaires but only 9 were returned, a response rate of 18%. Five hundred questionnaires were sent to officers and the response rate was exactly the same as only 91 questionnaires were returned. Despite the response rate the results were encouraging.
- 3.2 The overall results were as follows:-

|          | Positive | Negative | Don't Know |
|----------|----------|----------|------------|
| Members  | 80%      | 7%       | 13%        |
| Officers | 58%      | 3%       | 39%        |

- 3.3 The clear issue from these results is the number of "don't know" responses from officers. In the opinion of the Research and Consultation Officer who collated these results the main reason for this is the poor question construction in the questionnaire.
- 3.4 On the Member's questionnaire there were five areas to note in particular:-
- Questions headed "Standards Committee"
- Forty five percent answered positively to the Standards Committee making a positive impact on ethical governance.
- Questions headed "Conflicts of Interest"
- Forty five percent were aware that the Gifts & Hospitality register is regularly reviewed.
- Questions headed "Accountability"
- Fifty five percent agreed that the public has easy access to information on who has taken a particular decision.
- Questions headed "Management of Standards"

Sixty six percent agreed that there is a culture in Bury which allows members to challenge decisions without fear of reprisal. A similar number thought the Council's complaints system is clear and accessible.

Questions headed "Whistleblowing"

Fifty five percent agreed that the Whistleblowing Policy is being used appropriately. A similar number felt the policy could be used without fear of reprisal.

- 3.5 On the Officer's questionnaire there were three areas to note in particular:-

Questions headed "Communication"

Thirty two percent of officers agreed that the Member's Code of Conduct was accessible to the public. Similarly, thirty six percent felt that the Members' declarations of interest are accessible to the public. Finally, forty six percent agreed that the public have access to Standards Committee documents.

Questions headed "Accountability"

Forty four percent of officers agreed that members of the public can discover who has taken a particular decision.

Questions headed "Whistleblowing"

Thirty four percent of officers agreed that the policy is being used appropriately. A similar number agreed the policy could be used without fear of reprisal.

#### **4.0 CONCLUSIONS**

- 4.1 The response to the survey was disappointing but this may have been due to the design and length of the questionnaire. Additionally, some categories for response may have been better defined.
- 4.2 In the opinion of the Research and Consultation Officer, the sample of officers questioned was too small.
- 4.3 What is consistent between the two sample results is the reference to the public access to decision making, and the appropriate use of the Whistleblowing Policy.

## **5.0 RECOMMENDATION**

- 5.1 The survey will be redesigned utilising the skills of the Research and Consultation Co-ordinator. The new survey will then be re-issued before the end of the financial year with a view to reporting the results to the next available Audit Committee.
- 5.2 In the opinion of the Research and Consultation Officer, the sample of officers should be increased to 1,200.
- 5.3 The Whistleblowing Policy should be re-launched to ensure that Members and officers are aware of the protection given by the Policy and the correct way to make use of the Policy.
- 5.4 Any other actions should await the result of the proposed survey.

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### **List of Background Papers**

Results of the survey.

#### **Contact Details:-**

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