

REPORT FOR DECISION

Agenda Item	
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MEETING: AUDIT COMMITTEE

DATE: 09 DECEMBER 2008

SUBJECT: ETHICAL GOVERNANCE – SURVEY RESULTS AND ACTION PLAN

REPORT FROM: CORPORATE GOVERNANCE PANEL

CONTACT OFFICER: BARRIE STROTHERS

TYPE OF DECISION: Non key.

REPORT STATUS: FOR PUBLICATION

PURPOSE/SUMMARY:

This is a report to inform Members of the results of the 2007/08 Ethical Governance Survey and the proposed action plan.

OPTIONS AND RECOMMENDED OPTION:

Members may accept or reject the proposed action plan and training methodology. Members are requested to accept the proposed action plan and the training methodology in order to raise awareness of ethical governance for both Officers and Members.

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 accord with the Policy Framework? Yes.

Are there any legal implications? No.

Considered by Monitoring Officer: Yes.

Statement by Director of Finance And E-Government:

The training proposals within this report are a key element in raising staff awareness of the importance we attach to ethical governance. This work is in support of the Authority's CPA Use of Resources assessment.

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/ Management Board	Executive Member/ Chair	Ward Members	Partners
08/12/08			
Scrutiny Panel	Executive	Committee	Council
		Audit 09/12/08	

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 2007/08 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 Officer's awareness of ethical governance. The survey was based upon the Audit Commission's recommended method; the IDEA Ethical Governance Toolkit.

- 1.3 A Corporate Governance Panel has been established to provide a forum to discuss, challenge and improve all aspects of ethical governance within the Council. The Panel will consist of the four Officers whose responsibilities form the core of the Authority's ethical framework; the s151 Officer (Director of Finance & E-Government), the Monitoring Officer (Director of Legal & Democratic Services), the Head of Strategic Finance, and the Head of Internal Audit. This proposal follows the first meeting of this Panel in November.

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.

3.0 RESULTS OF THE SURVEY

- 3.1 A total of 44 questions were asked.

The survey was sent to 1004 Council officers on SCP 29 and above (ie. SO1 and above) and to all 51 Members.

The response rate for surveys completed was:-

Adult Care	21%
Children's Services	22%
Environment and Development Services	43%
Chief Executives	55%
Members	8%

Overall a 36% response rate was achieved.

- 3.2 The responses received have given an indication that there are areas for which work is required to promote ethical governance within the Authority. Guidance is needed to ensure Officers are aware of and understand the Ethical Framework and the roles and responsibilities of Cabinet, Scrutiny Committee, etc, and that officers are aware of schemes of delegation and the procedures for officer's delegated decision making.
- 3.3 An action plan is included as part of Appendix A which details the questions asked and the responses received. Areas which are considered as requiring urgent attention are highlighted in red, those which are important and need action to be taken are highlighted in amber and those where it is considered that no action needs to be taken are highlighted in green. These judgements have been made by the Head of Internal Audit in consultation with the S151 Officer, the Monitoring Officer, and the Head of Strategic Finance.

3.4 Of the 44 questions:

Green	25
Amber	6
Red	13
Total	44

3.5 As the only member of AGMA to have carried out an ethical governance survey we have been asked by the AGMA Fraud Group to share our approach.

4.0 THE WAY FORWARD

4.1 The main challenge for us is to raise awareness and with this in mind a training methodology has been produced at Appendix B.

4.2 In order to map the direction of travel of ethical governance awareness the survey should be repeated. It is proposed that a survey of Members will be carried out in 2009/10 and Officers in 2010/11 by which time the results of the 2008/09 action plan will have had time to filter through.

5.0 CONCLUSIONS

5.1 The Ethical Governance Survey has highlighted 13 areas that require immediate action to raise awareness amongst staff and Members.

5.2 All employees on SO1 and above and Members should be encouraged to undertake the proposed e-learning training as soon as it is available.

6.0 RECOMMENDATIONS

6.1 That the action plan at Appendix A be accepted.

6.2 That the training methodology at Appendix B be accepted.

6.3 That the survey be repeated for Members in 2009/10 and for Officers in 2010/11 to assess the effectiveness of the training.

List of Background Papers

Results of the Ethical Governance Survey 2007/08.

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