
Standards Committee

26 January 2007

Report of the Head of Civic, Democratic and Legal Services

ETHICAL GOVERNANCE AUDIT

Summary

1. This report provides information to the Standards Committee on the process of undertaking an Ethical Governance Audit and proposals for undertaking this process in City of York Council.

Background

2. City of York Council through its Standards Committee and Officer Governance Group has for some time recognised the need to consider undertaking an Ethical Governance Audit to help in establishing good, corporate governance by reviewing and then improving the ethical performance of the Council.
3. The Standards Committee has included the consideration of an Ethical Governance Audit in its work plan and the Officer Governance Group has also included it in the key issues to be addressed by the Group, which was reviewed and approved by the Standards Committee at their meeting on 6 October 2006.
4. City of York Council recognises that high ethical standards are a cornerstone of good governance. The Audit Commission has also recognised the importance of the ethical agenda and has included an ethics component in their triennial Comprehensive Performance Assessment and in its annual assessment of the Council's "use of resources". The Audit Commission is developing an approach to the inspection of corporate governance arrangements as they impact on service quality and continuous improvement.
5. The Ethical Governance Audit has been developed to assist Councils in achieving progress in the promotion and maintenance of high standards of conduct by Members and staff and the integration of the ethical framework into the Council's operations. The audit examines current procedures and practices, the implementation of the ethical framework and checks and reviews progress.
6. In addition, the audit will provide a review to highlight deficiencies arising from poor systems and procedures. It is used as a diagnostic tool to aid implementation of the ethical framework and ensure a robust approach to monitoring, review and updating.

Specifically the audit can be used to :

- Ensure that Council arrangements are open, accountable and ethically strong
 - Promote high standards of conduct
 - Assist in building a “bond of trust” between Councils and communities
 - Identify best practice for sharing and dissemination.
7. The audit examines the Council’s written procedures and protocols and how those procedures are applied in practice using questionnaires and interviews with Members, staff and other relevant interests in the Authority’s operations. This provides information for the Authority and identifies potential problem areas and risk factors, gaps between official and actual values and barriers to ethical operation.
 8. The Audit Commission and the IdEA has designed a toolkit which involves a self-assessment survey and a full audit. Once areas for improvement are identified developmental workshops using ethical scenarios can be used to increase awareness and understanding of the Code of Conduct and ethical behaviour. These workshops can be tailored to meet specific needs of an individual authority.
 9. It is recommended that to get full benefit from the toolkit materials that Councils use trained practitioners from either the Audit Commission or the IdEA. Trained practitioners will constructively challenge existing processes, procedures, culture and behaviour. In addition, the use of external providers ensures that the process is effective and transparent. It is recognised that the Standards Committee is likely to have a lead role in the ethical audit both in terms of providing the information and participating in the developmental programme following identification of areas for improvement.
 10. The proposal to undertake an Ethical Governance Audit was discussed by the Officer Governance Group at their meeting on 8 January 2007. At that meeting it was proposed that the Head of Civic, Democratic and Legal Services draft an invitation to quote for trained practitioners to undertake the Ethical Governance Audit.
 11. In addition, the Officer Governance Group agreed that as part of the brief for the appointed trained practitioners they should be asked to produce a programme for undertaking the Ethical Governance Audit and specifically identify the roles of both the Officer Governance Group and the Standards Committee in undertaking the audit and implementing its findings.

Consultation

12. The Ethical Governance Audit will involve a specific programme of consultation, which will be reported to the Standards Committee in due course.

Options

13. Not applicable to this report.

Analysis

14. Not applicable to this report.

Corporate Priorities

15. The Council has identified the need to improve leadership at all levels to provide clear, consistent direction to the organisation. Regard to the ethical agenda will promote leadership and assist in meeting this corporate priority.

Implications

16. There are no Financial, Human Resources, Equalities, Legal Crime and Disorder, Information Technology, Property or Other implications.

Risk Management

17. Proper regard to the ethical agenda and identifying areas for improvement will reduce the risk of challenge in terms of the behaviour of Members and Officers and the decisions taken by the Council.

Recommendations

18. It is recommended that Members of the Standards Committee :
 - (a) Note the contents of this report and the process for progressing the Ethical Governance Audit; and
 - (b) Reaffirm their commitment to participating and supporting the Ethical Governance Audit.

Reason: To ensure the Council can demonstrate good corporate governance arrangements.

Contact Details

Author:

Suzan Hemingway
Head of Civic, Democratic &
Legal Services
Chief Executive's Department
Tel No. 01904 551004

Chief Officer Responsible for the report:

Suzan Hemingway
Head of Civic, Democratic & Legal Services

Report Approved**Date** 15 January 2007**Specialist Implications Officer(s)**

None

Wards Affected:**All**

For further information please contact the author of the report

Background Papers:

None

Annexes

None