

Audit Detailed Report

January 2007

Ethical Governance Report

Slough Borough Council

Audit 2005/2006

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Summary report

Introduction

- 1 There is an increased emphasis on the need for the highest standards of conduct in public life. The findings of Nolan and Graham Committees, the Local Government Act 2000, the introduction of The Standards Board for England, and the inclusion of an ethics component in the Comprehensive Performance Assessment 2005 are all factors in the current weight being given to the need for strong ethical governance in local councils.
- 2 High ethical standards are the cornerstone of good governance. They are an integral part of good corporate governance arrangements, can lead to increased confidence in local democracy and help an authority to attain a high CPA rating.
- 3 Setting high ethical standards is an important building block for councils in developing their community leadership role and improving services to the community. Councils are also becoming involved in increasingly complex partnerships and a decline in high standards may adversely affect these arrangements.

Background

- 4 Local authorities and individual members now face a number of risks which may include:
 - referral to, and investigation by, the Standards Board for England for alleged breaches of the code of conduct, sometimes leading to the disqualification of members;
 - loss of confidence in individual members, councils and local democracy; and
 - poor decision making.
- 5 Ethical governance is an area of great interest to the national and local press, particularly when things go wrong. On average one councillor a week is removed from office because of breaches of the code of conduct ranging from bullying behaviour, misuse of council resources, bringing the council into disrepute and using their position as a councillor for personal gain. Other sanctions have included formal censure, and suspension from using council facilities. When things go wrong and councillors are found guilty of a breach of the code of conduct, there is a risk to the reputation of individuals and the council. The consequent difficulties of having to implement widespread changes whilst under the spotlight cannot be overestimated.

- 6 One of the common aspects of governance failures is not the absence of frameworks, controls and arrangements but the absence of appropriate behaviours and values amongst members and officers. This audit therefore looked at your compliance with statutory requirements but also at behaviour, culture and values.

Audit approach

- 7 To complete the project we undertook:
 - a document review;
 - interviews with key members and officers; and
 - a survey of members and officers during January and February 2006. These results were then benchmarked against a number of other authorities who have also completed the surveys. At Slough, only 11 members (ie 28 per cent) and 97 officers responded. The survey was therefore re-run over the summer period with officer involvement limited to the top three tiers. In the second survey 23 members (ie 58 per cent) and 35 officers responded. This is more representative of the council.

Main conclusions

- 8 There are a number of good policies and practices in place.
- 9 In a number of areas relating to policy and training, Slough is near to the national benchmark, and in some cases exceeds the national average. However, where questions referred to member behaviour, Slough is behind the benchmark for a number of the questions.
- 10 Our recommendations are set out in Appendix 1.

Detailed report

Standards Committee - compliance

- 11 A Standards Committee has been established, and the minimum statutory membership requirements are exceeded as the Chair and one third of the members are fully independent.

Members Code of Conduct - compliance

- 12 The model code of conduct sets out the minimum standards of conduct that members must observe.
- 13 The local code of conduct must include all the compulsory provisions of the model code. There are two key provisions.
 - Members should not do any thing which brings the Council into disrepute.
 - Members should not misuse their official position to their own advantage or to the (dis)advantage of others.
- 14 Slough Borough Council has adopted the Members' Code of Conduct which contains all the statutory provisions.
- 15 From a review of declarations, all members have signed up to the Code. From the survey, all respondents believe that the Council has adopted the Members' Code of Conduct and all respondents have agreed to abide by the Code.
- 16 The Code requires a member to make a written allegation to the Standards Board if they believed that a member had failed to comply with the Code of Conduct. Over two-thirds of member respondents would make this written allegation and 4.3 per cent would do nothing, (compared to a national average of 5 per cent), whilst the Code requires all members to take action. Not all members responded to this question.
- 17 From the survey, 62 per cent of respondents, both officers and members, felt that members always or usually listen to the advice of officers which is below the national benchmark of 73 per cent. Under the Code of Conduct members must, when reaching decisions, have regard to any relevant advice provided by the chief finance officer (under S114) and the monitoring officer and then give reasons for any decision.

- 18 The responses regarding the behaviour of members were below the national average. These related to showing respect to other members and officers, and treating people fairly. This may be a cultural issue, as a framework is in place.
- 19 From the survey, the Council responds well to diversity issues, with better than average scores. 79 per cent of the respondents believe that the Council ensures staff are appropriately skilled to meet the needs of its diverse communities, compared to a national figure of 71 per cent.
- 20 Communication between members and other members and officers is below the national benchmark, as 53 per cent of respondents feel that communication between members is open and 65 per cent feel that communication between members and officers is open, compared to national figures of 60 per cent and 73 per cent respectively.
- 21 Trust between members, and also between members and officers is lower than the national average. 41 per cent of respondents felt that members and officers trust each other, compared to a national average of 61 per cent. 33 percent of Slough members trust each other, compared to 42 per cent nationally.
- 22 The perceived transparency of decision making is at a level similar to other councils; the culture is perceived as one which allows officers and members to challenge the decisions made .
- 23 Team-working and co-operation between members to achieve the Council's common goals is below the national average. 44 per cent of respondents felt that members work well together to achieve the council's common goals, compared to an average of 65 per cent.
- 24 Views about partnership working, however, were close to the national average.

Recommendations

R1 Further training should be offered to all members on the provisions of the Code of Conduct, in particular emphasising and exploring how the Council's ethical culture needs to be developed.

Standards Committee - Roles and responsibilities

- 25 The Standards Committee is responsible for ensuring high standards are maintained.
- 26 The Chair of the Standards Committee and the Monitoring Officer attend the Standards Board Conference to receive training and keep up to date with the latest developments.
- 27 The Standards Committee has not given formal consideration as to how it might use internal and external auditors to promote higher ethical standards across the Council.
- 28 Awareness of the Standards Committee and its work is now close to the benchmark for members.
- 29 Officer understanding of the Standards Committee and its work is close to the benchmark, but there is poor recognition of its work, eg only 43 per cent of respondents feel that the committee operates effectively.
- 30 Training at the Council is offered to all members, but it is not compulsory to attend; with regard to appropriate training on conduct issues, member satisfaction with training on conduct is at 94 per cent. This compares favourably to the figure of 85 per cent of respondents nationally who felt that they had received appropriate training on issues of conduct.
- 31 Members believe that training on laws and legislation is good, and in some cases responses for the Council are in excess of the benchmark. For example, 82 per cent of members have received training on the Disability Discrimination Act 1995, compared to 60 per cent nationally.
- 32 Officer training on the legislation is below the national average in all cases apart from Data Protection Act 1998.
- 33 The Council has had an officer code of conduct for a number of years. Training on this is included in the staff induction training. However, 11 per cent of officer respondents did not know if such a code existed.
- 34 There is a good recognition of a clear whistleblowing policy by both members and officers.

Recommendations
<i>R2 The Standards Committee should consider how it might use internal and external auditors to promote higher ethical standards across the Council.</i>
<i>R3 The Standards Committee should promote its work more widely across the Council.</i>
<i>R4 The Council should consider whether Member training could be made compulsory.</i>
<i>R5 The Council should review training for officers to improve awareness of the officer code of conduct and carry out a risk assessment of training required for legislation.</i>

Register of interests - compliance

- 35 A register of members' interests has been set up and this is updated after each meeting. It is a standing item in the agenda papers to declare any interests, and 94 per cent of members responded that they are reminded of the need to record such interests.
- 36 Member responses on recording interests are close to the national average.
- 37 The register is available to the public if they contact legal services for information, but it is not on the website.
- 38 All member respondents are clear or fairly clear as to what a conflict of interest is and on the differences between a personal and prejudicial interest. This is above the benchmark in both cases.
- 39 However, members are not very clear on which members' code would apply if a member was appointed to represent the Council on an external body.

Recommendations
<i>R6 The Council should ensure that all members are fully aware of the contents of the Code of Conduct and the impact it has on their duties.</i>

Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
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9	R2 The Standards Committee should consider how it might use internal and external auditors to promote higher ethical standards across the Council.	2				
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