

Setting High Ethical Standards

Ethical Governance

Chorley Borough Council

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Reference:	Setting High Ethical Standards
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Introduction and background

In the UK there is a strong 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 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 authorities.

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.

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.

Local authorities and individual members 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.

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.

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 looks at your compliance with statutory requirements but also at behaviour, culture and values.

Scope and objectives

The aim of this audit is to help you assess whether the council:

- is complying with Part III of the Local Government Act 2000;
- is ensuring that the Standards Committee has access to the right information and support to enable it to do its job properly;
- members and officers have an understanding/awareness of ethical issues;
- members are abiding by the code of conduct; and
- members and officers have training needs in this area.

The work is aimed predominantly at members.

Desired outcomes

As a result of this work Chorley Borough Council and its members and officers should:

- be more aware of the ethical agenda;
- have a better understanding of the ethical health of the Council;
- have a better understanding of how well the council is measuring up to the Audit Commission's comprehensive performance assessment requirements; and
- have a better understanding of what further actions are needed to take to meet the desired standards.

Audit approach

To complete the project we will undertake:

- a document review;
- interviews with key Members and Officers;
- undertake a web enabled survey of members and key officers
- Deliver a facilitated workshop to help members and officers focus on key issues
- to incorporate changing organisational cultures material in the workshop to support the wider reinforcement of conduct and ethical behaviour in the Council.

Timescale and contact details

The project will be carried out by Warren Park. Warren is a fraud management specialist with 25 years experience of working in or auditing local government. He can be contacted on 0781 587 8170 and his email address is w-park@audit-commission.gov.uk.

The Audit Manager for Chorley Borough Council is Gareth Kelly who will be overseeing this work. Allen Graves the Principal Auditor for the Council will be assisting with the review.

The work will be carried out as follows.

Task	Target date for completion
Set up	June 2006
Fieldwork	June / July 2006
Feedback and workshops	July – September 2006

Outputs from the audit

Depending on the findings from our work we will provide a summary report and analysis of the survey and workshops to address our findings. The actual nature of the workshops will be agreed in advance with key officers and key members.

Project costs

This work is included in the Audit Commission's 2006/2007 annual audit and inspection plan.

Status of our reports to the Council

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

Document request

Copies of the following documents will be needed before we commence the audit.

Please indicate whether we can access any documents via the council's web site or via the council's intranet (with the file paths):

- Council constitution;
- Code of conduct;
- Standards Committee terms of reference;
- Standards Committee papers;
 - agendas, minutes and supporting papers;
- Schedule of proposed activities for the following year;
- appointment of independent members to Standards Committees - details;
 - and any related job descriptions, person specifications etc;
- standards, protocols and procedures for handling investigations;
- member training in this area – details;
 - and any evaluations;
- work undertaken by external bodies with the Standards Committee – details;
- complaints to The Standards Board for England – details;
 - and details of any outcomes;
- resident and staff surveys – full results
- planning guidance, policies and procedures; and
- any other relevant documentation.

Interviews

Possible interviews
Leader
Chief whip of the majority party
Majority party member on the Standards Committee
Leader of the minority party
Whip of the minority party
Minority party member on the Standards Committee
Chair of Scrutiny
Chair of the Standards Committee
Chair of Licensing and Planning
Chief Executive
Director Of Finance
Monitoring officer