

## **COUNCIL PROGRESS AGAINST NATIONAL ETHICAL GOVERNANCE CRITERIA**

**LEAD OFFICER:** Martin Jepson, Head of Legal and Democratic Services

**REPORT AUTHOR:** Martin Jepson

**Summary:** Reports on national criteria concerning Ethical Governance issues and compares Council performance against those criteria

<b>Recommendation:</b>	The report is for noting but there may be some issues on which Members of the Committee might want to request further information .
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### **1. INTRODUCTION**

- 1.1 When the Standards Committee agreed last year to commission a light touch Ethical Governance inspection Members' attention was drawn to the Key Lines of Enquiry document concerning Internal Control which the Audit Commission uses to make its yearly Use of Resources judgment of the Council. This is reproduced again as an Appendix and marked "A".
- 1.2 This Council is also subject to a Corporate Governance inspection yearly of which Theme 4 ( Leadership, Culture and Standards of Conduct) and particularly Key Line of Enquiry 4.3 ( Does the Council achieve High Standards of Conduct?) are relevant. KLOE 4.3 is attached as a further Appendix and marked "B".
- 1.3 Separately the Council has also undertaken to work to The Good Governance Standard for Public Service, a standard promoted by CIPFA (Chartered Institute of Public Finance Accountants) and SOLACE ( Society of Local Authority Chief Executives), some criteria of which overlap with the KLOEs referred to at 1.1 and 1.2. Section 3, which is of most relevance to this Committee is shown as a further Appendix and marked "C".
- 1.4 The purpose of this report is to refresh Members' minds as to the criteria to which this Council is working so as to be able to put the work of the Standards Committee on Conduct issues into a context and to enable Members to assess the Council's current position.

### **2 KLOE FOR USE OF RESOURCES**

- 2.1 The Council has reached all the criteria for Level 2 except for the last one concerning the National Fraud Initiative where Monitoring Officers nationally seem to be agreed that the Audit Commission does not currently have the legal authority to require the release of Electoral Registration information. This is likely to be resolved shortly by statute at which time the information will be released.
- 2.2 I believe that the Council can also demonstrate that subject to the NFI issue it reaches the Level 3 criteria. On Level 4 the two areas which are specifically within the area of responsibility of this committee are firstly the requirement to demonstrate that its members and staff exhibit high standards of conduct and secondly in respect of the effectiveness of its whistle-blowing arrangements. Both criteria require the gathering of evidence to justify claiming to attain the criteria.

### **3 KLOE FOR CORPORATE GOVERNANCE**

- 3.1 The KLOE ratings for Corporate Governance give examples of both adequate and inadequate performance but unlike the Use of Resources KLOE it does not rate performance at numbered levels.
- 3.2 For section 4.3.1 areas where the Council does not appear to reach “ Adequate Arrangements” are that it has not assigned “lead responsibility to a councillor for conduct and standards” in that no Portfolio Holder or other member to my knowledge has been assigned such responsibility. Also, training for members is not mandatory, although it is difficult to see what sanctions could be applied if a Member did not undertake the necessary training.
- 3.3 For 4.3.2 the Council’s arrangements are generally in the adequate range. Although there is an understanding that Agenda Items of committees are discussed in open session and we are all committed in principle to “ openness” there is no “ policy on access to information”.
- 3.4 For 4.3.3 the Council generally has adequate arrangements. It is too early to say at this point whether the new Local Determination framework will put pressure on the resources of the Standards Committee and Monitoring Officer.
- 3.5 For 4.3.4 although the Council does have Contract Standing Orders in place it has been some time since they were reviewed. It has also been recognised that the arrangements the Council has with its partners generally need to be reviewed. It should be acknowledged that in some specific areas there are good and clear arrangements in place.
- 3.6 Finally, for 4.3.5 , subject to the matters shown above the Council does generally comply with the “ Adequate Arrangements” section.

### **4 THE GOOD GOVERNANCE STANDARD FOR PUBLIC SERVICE**

- 4.1 The responses shown at Appendix C to the criteria are the Council’s officers’ own assessment of the current position and do not mark the Council as having either passed or failed. Some of the criteria overlap with the two earlier documents.

### **5. CONCLUSION**

- 5.1 The above has been produced for the information of the Committee bearing in mind its remit to promote high standards of conduct and it is hoped that it will help to clarify current national thinking on criteria for ethical governance.

**List of Consultees:** Head of Policy and Performance, Audit and Fraud  
Prevention Manager, Head of Finance and IT

**Background Papers:** None as all documents described are already public documents