

Corporate Governance Inspection: Key lines of enquiry 2006 – Theme 4: Leadership, culture and standards of conduct

KEY LINES OF ENQUIRY	INSPECTION FOCUS	DELIVERS ONLY MINIMUM REQUIREMENTS – ADEQUATE ARRANGEMENTS	COMPONENTS OF INADEQUATE PERFORMANCE
4.3 Does the council achieve high standards of conduct?	4.2.3 Conduct of business and role of the opposition. Clarity of roles and responsibilities for councillors and officers, and provision of training, and of business and decision-making. Levels and appropriateness of delegation to officers. Organisational culture and the nature of working relationships and levels of internal satisfaction. Approach to equalities and diversity.	The council usually conducts its business constructively, supporting and respecting the role of the opposition. Councillors and officers are aware of their respective roles and responsibilities, and there is training for those new in role or with specialist responsibilities. The executive delegates to officers appropriately, matching authority to accountability, bringing management authority closer to the front-line. There is a culture of respect across the council, with constructive and professional working relationships between councillors and officers, between senior officers and staff, and between staff in different departments. Staff satisfaction with working for the council is at an acceptable level or improving. The atmosphere is open and supportive. The culture respects the diverse nature of the council's various stakeholders, and their right to equality of opportunity.	Council business less effective because of profound political differences. Councillors and officers confused about their roles and do not take up training. Atmosphere of blame, aggression, fear or resentment. Working relationships disrespectful or unsupportive. Business and decision – making laborious and long-winded. Staff satisfaction with working for the council unacceptably low or declining. The culture works against equal opportunity and does not respect the diverse nature of the council's stakeholders.
	4.2.4 Arrangements for monitoring and review of the council's culture and values, and of progress in influencing culture.	The council has reviewed, or plans to review, its success in achieving and maintaining a constructive culture. Monitoring and review leads to demonstrably improved service and/or governance outcomes.	No monitoring or review of values and culture.
	4.3.1 Strategic approach to promoting and maintaining ethical standards. Code of conduct. Coverage of code of conduct across personnel and relevant issues. Sanctions and redress, and training arrangements.	The council has a strategic approach articulated within its constitution for promoting and maintaining ethical standards across the council and its operations. It communicates these widely. It assigns lead responsibility to a councillor for conduct and standards, and has a code of conduct in line with legal requirements. Codes and protocols cover standards for councillors, staff and contractors, and include whistle-blowing, anti-bullying, staff conduct, and member/officer relations. The code of conduct for councillors covers the full range of legal requirements. There are arrangements for sanctions and redress, and training for councillors is mandatory.	Lack of strategic approach to promoting and maintaining ethical standards. Codes and protocols incomplete or out of date, or not sufficiently wide-ranging. No arrangements for sanctions or training.

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4.3.2 Nature and robustness of the constitution. Transparency of reporting arrangements. Role of monitoring officer (MO) and chief executive (CE) in ethical matters. Evidence of the code being applied to working practices. Effectiveness of register of interests. Evidence of protocols for use of council resources.	The constitution is designed to reduce opportunities for misconduct and ensure that processes are accountable and properly managed. There is a 'presumption of openness', and the council has a policy on access to information. The MO and CE are allowed to raise ethical issues formally during decision-making. Ethical principles have been acknowledged in working practices. The register of interests is up to date. The council has, or is preparing, protocols for use of council resources such as IT, transport and expenses.	Constitution does not promote openness and transparency. Reports frequently kept confidential for no apparent reason. Policy on access to information unsatisfactory. Register of interests out of date; or disputed. No protocols for use of authority premises, equipment, IT etc. Poor recent record on standards and probity.	
4.3.3 Resourcing of standards committee (SC), MO and ethical activity. Terms of reference (TOR), membership, timetable and agendas of SC. Impact of MO role. Joint working of standards committee and MO.	Resources are sufficient to allow the SC and MO to function. The SC has TOR encompassing the minimum statutory requirement. Its membership is balanced and the way that it conducts business, along with active steps it and the MO take, promote higher standards. The council has taken or is taking steps to ensure that understanding of ethical issues, standards, and the roles of the SC and MO are widespread in the council. The SC and MO have mechanisms in place for referral and joint working. They have access to the CE and the leadership, and are supported by them.	Insufficient resources allocated to SC, MO and ethical activity. Narrow remit of SC, falling short of minimum statutory requirements. Unbalanced membership of SC. Lack of collective responsibility for standards across of the council, and lack of visibility of SC and MO. Ineffective working relationship between SC and MO. Confusion about councillor and officer responsibilities in respect of conduct, or recent examples of misconduct.	
4.3.4 Confidential reporting and whistle-blowing, and levels of confidence in ethical systems. Communication and understanding of ethics and values, roles and responsibilities throughout the council; and to stakeholders and the wider public. Take up of ethics and standards training by councillors. Evidence of ethical frameworks for procurement, contracting and partnership development.	The council has a confidential reporting system, supported by the CE. The council has publicised its standards, and stakeholders are aware of codes of conduct. Standards-related matters are accessible. The council monitors take up of ethics and standards training by councillors, and follows up non-attendance. It has, or is preparing, ethical frameworks for procurement, contracting, and partnership development.	Confidential reporting system not in place or not trusted by staff. Failure to deal with known ethical or behavioural problem areas. Standards not publicised. Public cynical about local politics and politicians, or council seen as not transparent or trying to hide difficult issues. Low take-up of training on ethics and standards. No ethical frameworks for procurement, contracting or partnership development.	

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	4.3.5 Arrangements for monitoring and review of the constitution, code of conduct, SC, ethical protocols, communication of ethical issues; and of progress made by the council in achieving and maintaining high standards of conduct.	The council reviews the operation of the constitution, code of conduct, the SC and other ethical protocols; documentation and TOR; and arrangements for communication and dissemination. The council is able to make changes and apply learning as a result, leading to demonstrably improved service and/or governance outcomes.	No monitoring or review of constitution, code of conduct, SC, ethical protocols, or communication of ethical issues. No monitoring or review of performance in achieving high standards of conduct, or of identified problems.