



**NORTHAMPTON
BOROUGH COUNCIL**

STANDARDS COMMITTEE

10 January 2006

ITEM NO: 9

Report of Solicitor to the Council

Directorate: Finance Governance and
Citizens

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ETHICAL GOVERNANCE TOOLKIT

Recommendation(s)

That the Committee consider the report and endorse the way forward detailed in paragraph 3.2.

1. BACKGROUND

1. The Audit Commission, the Standards Board for England and the Improvement and Development Agency have developed an Ethical Governance toolkit which is intended to show Councils how they are performing in maintaining high standards and it is also a tool to identify ways to improve performance in this area. The toolkit was developed because high standards are seen to be of significant benefit to Councils, they are seen as an integral part of good corporate governance arrangements and can lead to increased confidence in local democracy and services.

1.2 The toolkit covers areas such as the promotion of:-

- ethical standards and behaviour
- local protocols and procedures
- Monitoring Officer arrangements
- the role of the Chief Executive
- the Standards Committees

by:-

- reviewing arrangements for monitoring and regulating the standards of member conduct and member compliance with the Code of Conduct
- Assessing members and officers understanding of the requirement of the Code; and
- agreeing recommendations for further improvement

It addresses these elements by providing:-

- an audit of compliance with the Code of Conduct and how arrangements are developing (self assessment by Monitoring Officer)
- a survey of members and officers including awareness and understanding of ethical behaviour
- case studies for workshops (with both members and officers) exploring conflicts of interest, dilemmas, and equality issues and to develop their understanding and approach

The outcome of which is to self assess and determine the Councils strengths and weaknesses in this area and to enable in-house solutions as opposed to having them externally enforced.

2. FINANCIAL IMPLICATIONS

- 2.1 The diagnostic process is overseen by the regional office of the Audit Commission. Where risks have already been identified as part of the Audit plan, there would be no cost implications for the Council but any such audit is unlikely to embrace all the issues of the diagnostic.
- 2.2 There are three different audits available to local authorities with differing cost implications, these are as follows:-

PART 1 – Is an electronic survey with elected members and the first, second and third tier officers.

The Audit Commission would provide the results but the Council would be required to do a self-analysis of the data. This exercise would cost £1500 but no national data would be provided for comparison.

PART 2 - This is the Part 1 survey plus an analysis report of the data provided by the Audit Commission, there would be a reference to national comparators and it would also include an action plan. The cost would be in the region of £4500.

PART 3 - Is a full Audit as opposed to a report, this includes focus groups and workshops etc. The cost would be in the region of £13,500.

3. SUMMARY

- 3.1 The toolkit would appear to provide for a useful diagnostic of the Councils ethical standards and it also has an important role to play in the Comprehensive Performance Assessment ratings.
- 3.2 It is recommended that given the importance and emphasis on ethical governance that further consultation take place with other local authorities who are actively participating in the diagnostic to both assess the appropriateness of undertaking the exercise and also to enable a balanced view to be taken in the circumstances of the Committees future workplan.