

Date: 15 February 2010

Subject: Ethical Governance Audit – Follow Up

1. Executive Summary

1.1 The Audit Commission has conducted a follow up to its original ethical governance audit conducted in 2005. The follow-up audit consisted of:

- (i) a review of the recommendations of the original audit;
- (ii) interviews with the Chief Executive and the Monitoring Officer (the latter also responded to a detailed questionnaire);
- (iii) a survey of Members;
- (iv) a survey of Senior Council Managers;
- (v) interviews with the Chairman of the Standards Committee; the Leader and Deputy Leader of the Council; the Leader of the Opposition and Councillor Ruth Bush.

1.2 The findings of the follow-up audit will be presented to the Committee by the Lead Auditor, Alison Kelly.

2. Recommendations

2.1 That the Committee consider the findings of the follow-up audit to be presented and as attached to this report.

2.2 That the proposed actions arising from the follow-up audit (attached as Appendix B) be endorsed and included in the Committee's work programme due to be submitted to the next meeting.



City of Westminster

Committee Report

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| Item No: | |
| Date: | 15 February 2010 |
| Classification: | For General Release |
| Title of Report: | Ethical Governance Audit – Follow Up |
| Report of: | Head of Legal Services |
| Wards involved: | Not Applicable |
| Policy context: | High Ethical Standards |
| Financial summary: | There are no financial implications |
| Report Author: | Mick Steward |
| Contact details | Tel: 020 7641 3134 Email: msteward@westminster.gov.uk |

3. Background Information

- 3.1 The follow-up audit was conducted during September and October 2009 and consisted of a range of surveys and interviews and consideration of a cross section of written material by the Auditor.
- 3.2 The findings of the follow-up audit will be presented to the Committee by Alison Kelly, the Audit Commission's National Lead on ethical governance, who conducted the audit. An outline of the findings and recommendations are attached as Appendix A.
- 3.3 Based on the findings, Officers have prepared a suggested set of actions which, if endorsed, will be included in the Committee's work programme for 2010/11 to be submitted to the next meeting on 17 March 2010. The proposed actions are outlined in Appendix B.

If you wish to inspect one of the background papers please contact Mick Steward: 020 7641 3134; email: msteward@westminster.gov.uk

ETHICAL GOVERNANCE AUDIT – FOLLOW UP – DRAFT ACTION PLAN**APPENDIX B**

| OBJECTIVE | ACTION TO BE CARRIED OUT | BY WHOM | TIMESCALE |
|--|---|---|---|
| 1. To enhance the profile of the Standards Committee, externally and internally particularly amongst Senior Managers of the Council and with the Council's Contractors. | The Council's Communication's Team will assist the Head of Legal Services and Officer Governance Group in conveying messages both internally and externally in order to promote awareness of good governance and high ethical standards. | Head of Legal Services in consultation with Director of Communications and Strategy | The Head of Legal Services and the Officer Working Group will actively consider ways of promoting both the work of the Standards Committee, the internal work being undertaken to increase awareness of high ethical standards. |
| 2. Review Code of Governance, Member/Officer Protocol of the Constitution. Also review processes associated with the consideration of complaints relating to member conduct. | Report to be added to the Committee's Work Programme and submitted to the Standards Committee in March. A review will be carried out by Officers of the Code of Governance following the decision of the Standards Sub-Committee on 15 December to review in particular what further guidance could usefully be given on the publication of ward newsletters. | Head of Legal Services, in consultation with the Director of Human Resources | The outcome of these reviews will be reported to the Standards Committee on 17 March. |

ETHICAL GOVERNANCE AUDIT – FOLLOW UP – DRAFT ACTION PLAN CONT.

| OBJECTIVE | ACTION TO BE CARRIED OUT | BY WHOM | CURRENT POSITION |
|---|---|---------------------------------|--|
| 3. Member Induction Programme. | The 2010 Members' Induction Programme is currently being prepared. It will include significant content on "Good Governance" | Head of Members' Services Team | A draft induction programme is currently being prepared and will be the subject of a report to the next meeting of the Committee on 17 March. The new CIPFA Councillors Guide to local government finance has been obtained and added to the Members Information Portal. It includes a video presented by experienced Councillors along with a detailed reference guide. It should be particularly useful for new Members. |
| 4. Review the Council's Complaints Handling procedure particularly to ensure that ethical governance issues are highlighted to enable corrective action to be taken if necessary. | Report to be submitted to Standards Committee in November 2010. | Complaints and Customer Manager | The matter is ongoing and is part of the review of the complaints procedure. |

ETHICAL GOVERNANCE AUDIT – FOLLOW UP – DRAFT ACTION PLAN CONT.

| OBJECTIVE | ACTION TO BE CARRIED OUT | BY WHOM | CURRENT POSITION |
|--|--|--|---|
| 5. Review Organisational Development Plan to ensure in particular that processes are in place to ensure high ethical standards are maintained. | Report outlining the existing organisational plan, setting out the processes in place for ensuring that high ethical standards are maintained. | The Head of Legal Services and the Head of Members' Services in consultation with the Director of Human Resources. | The re-launched governance training (How the Council Works and Maintaining High Ethical Standards) will play a key role in continuing to promote high ethical standards across the Council. Regular audit/governance newsletter are also in place and cover ethical issues such as whistleblowing, gifts and hospitality, Standards Committee. These are being rolled out across a number of service areas to raise awareness of ethical standards. |
| 6. Procurement: Ensuring External Contractors understand the requirements of the Council particularly in respect of Ethical Governance | Consider how this could be communicated and monitored including inviting staff from external contractors to attend the training course – How the Council Works and Maintaining High Ethical Standards. | Head of Procurement and Contracts. | The re-vamped course is programmed to commence on 26 February and at 3 monthly intervals. Details will be circulated to relevant contractors. The new Procurement Code includes reference to ethical governance and helpful toolkits. |

ETHICAL GOVERNANCE AUDIT – FOLLOW UP – DRAFT ACTION PLAN CONT.

| OBJECTIVE | ACTION TO BE CARRIED OUT | BY WHOM | CURRENT POSITION |
|--|--|---|--|
| 7. Receive directly and on an annual basis the views of the Leader of the Council. | Consider inviting the Leader of the Council to address the Standards Committee on an annual basis. | Head of Legal Services once this approach has been endorsed by the Standards Committee. | The views of the Standards Committee on this are sought. |
| 8. To consider best practice Standards Committees of other Boroughs. | To draw up, in consultation with the Chairman of the Standards Committee, a list of up to 4 other authorities to examine best practice. | Head of Legal Services once this approach has been endorsed by the Standards Committee. | The views of the Standards Committee are sought. |
| 9. To monitor the Standards Committee Work Programme at each meeting. | That the Committee's Work Programme be submitted to each meeting to enable the Committee to review it. Any member of the Committee to be able to add items to the programme. | Head of Legal Services. | If endorsed, the updated Work Programme to be submitted to the next meeting (17.3.10) and each subsequent meeting. |