



City of Westminster

Standards Committee

Date:	13 July 2010
Classification:	For General Release
Title:	Update Report on Responses to the Ethical Governance Audit
Report of:	Head of Legal Services Director of Human Resources Head of Commissioning Director of Communications and Strategy
Wards Involved:	All
Policy Context:	High Ethical Standards
Financial Summary:	There are no financial implications arising
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1. Executive Summary

- 1.1 The findings of the follow-up ethical governance audit, presented to the Committee at its meeting on the 15 February 2010, raised the issue of how successfully the City Council actively promotes high ethical standards, both inside Council and in the wider world, including to its contractors.
- 1.2 As a result, recommendations for action relating to the communication of the City Council's high ethical standards were included by Officers in the proposed work programme for 2010/11, approved by the Committee at its last meeting.
- 1.3 This report provides the following information which explains how the City Council currently communicates its high ethical standards and how the Council can raise awareness of its ethical standards in the future:
 - (i) An outline of the existing organisational development plan, setting out the processes in place for ensuring that high ethical standards are maintained;

- (ii) How the Council plans to ensure high ethical standards from its contractors, with an example of how frontline staff working for Council contractors are currently made aware of key Council policies, e.g Whistleblowing;
- (iii) Details of the ways in which the Communications team can raise awareness of ethical standards both internally and externally.

2. Recommendations

- 2.1 That the Committee notes the content of the report.
- 2.2 That the Committee comments on the report and endorses the approach set out in paragraph 6.1 on how best the City Council's high ethical standards can be communicated
 - (i) Internally;
 - Externally, to contractors and the wider community.

3. Background

- 3.1 The Audit Commission conducted a follow-up to its original ethical governance audit, conducted in 2005. 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. The findings of the follow-up audit were presented to the Standards Committee by Alison Kelly, the Audit Commission's "National" Lead on ethical governance its meeting held on 15th February 2010.
- 3.2 Based on the findings, Officers prepared a draft action plan – which was approved by the Committee. Three of the issues due for submission to this meeting, were all closely connected by the common subject matter of the communication and promotion of high ethical standards and these have been addressed and presented to the Committee in the form of this single report.

4. Review Organisational Development Plan to ensure in particular that processes are in place to ensure high ethical standards are maintained.

4.1 Employees - Code, policies and processes

- 4.1.1 Employees have to know the Council's expectations of their conduct at work and the performance of their duties. The Council's Code of Conduct for Employees sets out clearly the standards of conduct which the Council expects so that the utmost probity is maintained in the way employees perform their duties, and conduct themselves generally, so that they can avoid being compromised in their work.

- 4.1.2 The Employees' handbook explains the code in the context of work situations and everyday dilemmas, and offers advice on the proper responses to problems so as to avoid being compromised. The handbook directs employees to particular policies and procedures which are relevant to the situations in which they may find themselves and the tasks they have to perform, e.g. financial regulations, procurement code, gifts and hospitality, registering outside interests.
- 4.1.3 The Council has developed a comprehensive set of policies and procedures which complement and support the code of conduct, and aim to maintain high standards in those aspects of the Council's work where governance issues are high profile and a priority. These policies and procedures include the following:
- Procurement Code
 - Financial Regulations
 - Anti-Fraud and Corruption Policy
 - Recruitment Policies
 - Diversity and Equalities Policies
 - Discrimination, Bullying, Victimisation and Harassment Policy
 - Additional Employment and Politically Restricted Posts Policies
 - Dress Code
 - Out of Work Activities and Declarations of Interests
 - Use of Email, Internet and Intranet Policy
 - Whistleblowing Policy
- 4.1.4 In the development of any governance framework, it is vital that employees feel confident in raising instances when they feel that the Council's standards are not being met. The Council encourages and supports employees in reporting their concerns by way of the fraud and whistleblowing policies, which offer various ways for them to do this, including the fraud/whistleblowing hot line.
- 4.1.5 Every policy and procedure is reviewed annually so that changes in the law, good practice, and lessons learnt can be accommodated.

4.2 Promulgation

- 4.2.1 Having provided the codes, policies and procedures, employees have to know about them, have easy access to them, and be encouraged to use them. All policies and procedures have prominent postings on the Wire, with informative bulletins when there are new or amended policies, and managers are expected to promote the code of conduct, and its associated policies, e.g. by having this as a topic for discussion at team meetings etc.
- 4.2.2 The re-launched "How the Council works and maintaining high ethical standards" course is aimed at team leaders, supervisors, other mid-level advisory roles, operational managers, divisional heads, and senior specialist roles. This extended half-day course is led by the most senior Council Directors and managers and covers all aspects of the Council's constitution,

key processes, and ethical governance. Presently, four courses per year are programmed, but a greater frequency will be considered if there is demand.

4.2.3 It is important that employees are made aware of the ethical dimension of their work at the earliest opportunity, particularly if they have not previously been employed in the public sector. Ethical governance is a key thread in the corporate induction programme. The aim of this one day monthly course is to provide staff with an overview of Council strategy and services alongside an opportunity to see Westminster's services in action. The content of the course is as follows:

- An introductory session by a Chief Officer to provide a corporate overview of the Council and details the opportunities and responsibilities of working for the Council;
- A presentation on Finance: Where the Money comes from and where it goes;
- An introduction to the Westminster Standard;
- Corporate statements on information management, diversity, health and safety, and how to manage your career at Westminster.
- A bus tour of the City of Westminster to highlight areas and places of interest such as Leicester Square. The bus will stop at sites i.e. the CCTV Centre, Church Street, Neighbourhood Office etc.

4.2.4 There is a regular audit/governance newsletter which covers ethical issues such as whistleblowing, and gifts and hospitality. This is being rolled out across a number of service areas.

4.2.5 The Senior Leadership Programme has been launched. This on-line programme is pitched at members of the Council's senior leadership team (generally defined as the level of management which reports to the Strategic Executive Board) and will be comprised of three modules: Partnerships; Finance; and Leadership. Ethical Governance will necessarily be a thread in all modules.

4.3 Remedial action

4.3.1 In the event that something goes wrong, it is important that an employee cannot reasonably protest that they had no idea what the rules were. Hence the training and publicity outlined above. Therefore, the Council should be confident in taking appropriate action when there are breaches of its codes, policies and procedures, and use the disciplinary procedures appropriately. The Council has a sound record of taking seriously any impropriety, and responding accordingly.

5. Ensuring high ethical standards from Council Contractors and frontline staff

5.1 Procurement & Supplier Relationship Management and Finance will be preparing a series of communications and new templates to Suppliers regarding purchasing and payment. The required elements of the Council's

policy on ethical standards will be included within these communications to ensure ongoing notification at contract inception.

- 5.2 Staff that work in the One Stop Services handle enquiries about many issues relating to Council services. Queries from the public relating to specific Council policies e.g. whistleblowing are not frequent but staff have been reminded of the need to help as much as possible to give the customer the information they require. Although they may not have immediate knowledge of the policy all staff can access the Council's website and can offer information to customers on any policies maintained there. Staff also have access to the A-Z and can offer customers a 'free-phone' to a service area for assistance if required.
- 5.3 A recent 'refresher' briefing took place and this is being tested by some mystery shopping. The results so far are positive and showed that staff were very helpful and in all cases, the information that was requested was sourced and offered to the mystery shopper. Further mystery shopping will take place to monitor that this remains the case and staff will continuously be briefed on any new policies they become aware of.

6. Raising awareness of the Council's ethical standards

- 6.1 To raise awareness of the Council's high ethical standards the communications team can offer the following support:

Internally

- promote ethical governance training in the staff newsletter, WestWords and on the staff intranet;
- remind staff of the employee code of conduct and the Whistleblowing policy on the Wire;
- arrange for links to both these documents be placed on the home page of the Wire long term;
- make whistleblowing posters visible in more prominent areas;
- inform managers through a fortnightly e-brief (in production).

Contractors

- provide support and advice when communicating with our contractors on ethical standards.

Externally

- provide advice and guidance to simplify complaints pages on the website and make access to information easier.

7. Legal Implications

- 7.1 There are no legal implications relevant to this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

If you wish to inspect one of the background papers please contact Naomi Stauber email nstauber@westminster.gov.uk

Background Papers

Ethical Governance Audit Follow Up Report - 15 February 2010
Standards Committee Work Programme Report – 17 March 2010