

STANDARDS COMMITTEE – 27TH JUNE 2006

ETHICAL GOVERNANCE TOOLKIT

Report of the: Monitoring Officer

Status: For consideration and decision

Executive Summary: To raise the Committee's awareness of the ethical governance toolkit and assess what benefits it might offer to Sevenoaks

This report supports the Key Aim of accountability in respect of ethical standards.

Portfolio Holder Cllr. Loney

Head of Service Head of Legal and Committee Services – Mrs Christine Nuttall

Recommendation: That the Committee:

- (a) notes the existence of the ethical governance toolkit; and
 - (b) advises the Monitoring Officer of their views on whether the light touch health check should be used.
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Background

- 1 It is a requirement for the Standards Committee to monitor levels of compliance with the Code of Conduct. The Standards Board, IDeA and the Audit Commission have developed an ethical governance toolkit. It contains a number of different elements, all designed to assist Council's in achieving greater awareness of the ethical governance framework and the level of understanding and application of governance within the organisation. Much of the following information has been provided by the IDeA through its publications and website.

How does the toolkit work?

- 2 The toolkit has been designed so that users can 'pick and mix' the different elements. The self-assessment survey, full audit and light touch health check are 'diagnostic tools' and it is recommended that they be used prior to the developmental workshops. Councils can use the following combinations of diagnostic tools:
 - self assessment survey (Audit Commission)
 - self assessment survey and full audit (Audit Commission)

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- self assessment survey (Audit Commission) and light touch health check (IDeA)
 - full audit (Audit Commission)
 - light touch health check (IDeA)
- 3 The aim of the audit survey would be to assess whether the authority was complying with Part III of the Local Government Act 2000, ensuring that the Standards Committee has access to the right information and support to enable it to do its job properly, that members and officers had an understanding/awareness of ethical issues, that members were abiding by the Code of Conduct and whether members and officers had development and training needs in this.
- 4 The developmental workshops, using ethical scenarios, seek to increase awareness and understanding of the Code of Conduct and ethical behaviour. The developmental workshops should be tailored to meet any awareness and understanding issues identified during the diagnostic stage.
- 5 When making a decision about which diagnostic tools to use the council should consider the roles of the Audit Commission and IDeA and how this fits with their needs, and also the level of resources in terms of finances and staff time they are able to commit.
- 6 The strength of the Audit Commission is in addressing compliance, assurance, improvement and issues to do with arrangements. The IDeA has particular experience in working with members and officers on cultural and behavioural issues.
- 7 Whilst the organisations concerned recommend that it is appropriate to utilise their expertise, they have designed a light touch health check that can be a self assessment. A copy of that form is attached at Appendix A.
- 8 Attached at Appendix B is a copy of the programme for the Developmental Workshops, setting out what the Council could expect from the IDeA in delivering these workshops.

Outputs

- 9 The advice from the IDeA is that it is envisaged that the use of the various parts of the toolkit will lead to the following outputs:
- (a) Tool: self assessment survey
Output: short analysis and recommendations, action plan
 - (b) Tool: full audit
Output: full report, recommendations, action plan
 - (c) Tool: light touch health check
Output: summary report, action plan, presentation

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- (d) Tool: developmental workshops
Output: presentation using 'ethical scenarios' and outline action plan.

Resource implications

- 10 The list below provides an indication of the time and range of people that the IDeA recommend are required for the various parts of the toolkit.

- (a) Tool: self assessment survey
Audit Commission
Target audience: all elected members, senior officers.
Time: 1-4 days depending on output required
Approximate Cost: £1500
- (b) Tool: full audit
Audit Commission
Target audience: corporate leadership, senior management, standards committee members
Time: 7-10 days depending on size of the council
Approximate Cost: £13,000
- (c) Tool: light touch health check
IDeA
Target audience: standards committee members, monitoring officer, chief executive, senior management
Time: 0.5-1 day
Approximate Cost: Approximately £1,000
- (d) Tool: developmental workshops
IDeA or Audit Commission
Target audience: standards committee members, councillors, monitoring officer, chief executive, senior management
Time: 1 day per workshop
Approximate Cost: Dependent upon the number of workshop needed.

- 11 The advice from the Audit commission is that the full audit is excessive for District Council's given the time commitment and the costs involved. It might only become cost viable if a group of District Councils were to jointly commission such an assessment across an area.

- 12 This Committee is asked to consider the respective merits of the various elements of the toolkit and whether any of them are suitable for Sevenoaks. In particular, the Committee is asked to consider the light touch health check and whether this is something that should be used by way of a self-assessment or whether the IDeA should be commissioned to undertake such work for the Council.

The benefits to Sevenoaks District Council in using the toolkit?

- 13 The ethical governance toolkit contains various elements which will enable councils to have a better understanding of:

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- how well they are meeting the ethical agenda
 - where they can make improvements
 - how they can address issues
 - how well they are meeting CPA benchmarks
 - how they can help ensure that high standards of ethical governance are sustained.
- 14 Failure to achieve high ethical standards has consequences for members, councils and local government more generally:
- loss of credibility and confidence in individual members, councils and local democracy by the public
 - investigation, by the Standards Board for England or councils, sometimes leading to the disqualification of members
 - potential litigation and costs of defending a challenge
 - poor decision-making.

Financial Implications

- 15 The costs of using the toolkit are set out in paragraph 10 and will be dependant upon the Committee's views on whether and how the toolkit should be used.

Conclusions

- 16 This report advises the Committee of the existence of the ethical governance toolkit and seeks the views of the Committee on whether the Monitoring Officer should explore further the development of any of these tools and, if so, by what means.

Sources of Information: IDeA Light Touch Health Check
IDeA Programme for Developmental

Contact Officer(s): Christine Nuttall – ext. 7245

Corporate Resources Director
Dr Pav Ramewal

RISK ASSESSMENT STATEMENT

It is necessary to consider the toolkit as it is designed to assist the Council in achieving greater awareness of the ethical governance framework and demonstrates

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the achievement of Corporate Performance Assessment benchmarks thus enabling the demonstration of high ethical standards.

