

SC/012/10

Committee The Essex County Council and Essex Fire Authority Joint Standards Committee

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Ethical Governance Diagnostic

1. Purpose of the Report

To bring to the Committee's attention the arrangements for the Ethical Governance Diagnostic of the County Council which is about to be undertaken.

2. Background

There is an increased emphasis on member standards and conduct in public life. High ethical standards are the cornerstone of good governance. Setting high ethical standards is an important building block for councils in developing their community leadership role and improving services to the community. A decline in high standards may adversely affect partnership arrangements.

When things go wrong there is a risk to the reputation of individuals and of the council. The consequent difficulties of having to implement widespread changes whilst under the spotlight cannot be overestimated. One of the common aspects of governance failures is not the absence of frameworks, controls and arrangements but the absence of appropriate behaviours and values amongst members and officers. The Ethical Governance Diagnostic therefore looks not only at the Council's compliance with statutory requirements but also at behaviour, culture and values.

For the purposes of the audit "ethics" is as defined by the House of Commons: Public Administration Select Committee: Ethics and standards – the regulation of conduct in public life, 2007. The committee defined "ethics" to mean: "the qualities of good governance, such as integrity, legitimacy, accountability, and adherence to a commonly understood standard of behaviour".

The audit is undertaken by staff of the Audit Commission. The audit will look at four areas:

Balancing rules and trust. How far the Council is living the principles of public life in the way it delivers its business and works with others – selflessness, integrity, objectivity, accountability, openness, honesty and leadership to deliver these

principles – and is supporting the genuine motivation of people while ensuring that those who do breach the rules are challenged.

Independent overview. How far the Council is monitoring, developing and promoting the Council's approach to the ethical agenda and how far this is delivering improvement.

Leadership. How far the Council's Senior Leadership (both members and officers) is leading by example and encouraging good conduct in the Council and discharging their responsibilities in relation to the equalities, diversity and human rights agendas.

Transparency. How far the Council's governance is timely and the Council is transparent in the way it carries out its business.

The purpose of the work is to help the Council assess how far:

- it complies with the Audit Commission's organisational assessment Use of Resources KLOE 2.3
- it complies with Part III of the Local Government Act 2000 (Conduct of Local Government Members and Employees) and the relevant sections of the Local Government and Public Involvement in Health Act 2007 (Ethical Standards)
- it is ensuring that the Standards Committee has access to the right information and support to enable it to do its job properly
- members and officers understand and are aware of ethical issues
- members and officers are abiding by the Code of Conduct
- members and officers have training needs in this area
- its contractors understand the Council's approach to the ethical agenda

and to make recommendations on areas for further development.

Desired impact of the work

As a result of this work the Council, members and officers should:
be more aware of the progress the Council has made in delivering the ethical agenda
have a better understanding of the ethical health of the Council
have a better understanding of what, if any, further actions are needed to meet the desired standards.

The Audit Commission plans to be on site from the week beginning 19 July 2010.

Audit approach

To complete the project the Audit Commission will

carry out an on-line survey of members, senior officers and local strategic partners. The survey is based on the four areas set out above. It is an electronic survey accessed over the web and gives a wide perspective on the Council's approach to ethical governance;

undertake a review of relevant documentation, including a self assessment by the Monitoring Officer;

meet with the Leader of the Council, Chief Executive, monitoring officer, members, senior management, Standards Committee members and partners – list of interviews / focus groups attached; the Auditors will be on site at County Hall for the week beginning 19 July to undertake this aspect of the work;

involve local district councils and other local strategic partners in this work;

feedback its findings to the Council, including the Standards Committee, by way of a presentation with full notes, and work with the Council to agree the way forward.

Relevance to the Standards Committee

It is not possible to undertake this work without reference to the work of the Standards Committee. A number of the questions in the general survey and the Monitoring Officer's survey relate specifically to the Standards Committee. Some are purely factual questions but here is a flavour of some of the questions in the general survey:

- assessing how far the work of the Committee adds value to the Council
- assessing how far people understand the role of the Committee
- assessing how far the Committee is making a positive difference to the way people outside the Council views the organisation
- assessing the impartiality of the Committee.

The Monitoring Officer will be asked whether the Committee has undertaken an assessment of the impact of its work both inside and outside the Council.

Interview / Focus Group List

Possible Interviews	Possible focus groups
The Leader of the Council	Democratic Services and Civic Services Staff
Deputy Leader of the Council	Leader and Cabinet Office Staff
The Leader of the Opposition	Senior Managers: one CLG rep per Directorate
Chairman and Vice-Chairman of the Standards Committee	Non-executive members majority party: a mix of old and new (provide list with length of service)
Majority and Minority party members on the Standards Committee	Non-executive members minority party: Julie Young + 2 or 3 Lib Dems
Chairman of the Scrutiny Board	Partners: Districts and Unitaries – CEO & Leader PCTs Hospital Trusts Mental Health Trusts Strategic Health Authority Fire Police Sue Sumner Sir Ian McAlister
Chairman of the Audit Committee	Users: Citizen's Panel
Cabinet Member for Finance and Transformation Programme	
The Chief Executive	
The Monitoring Officer	
The Section 151 Officer	
The County Solicitor	
Corporate Leadership Team	
Head of Member Support and Governance	
Director of Policy	
Head of Communications	