

# CITY AND COUNTY OF CARDIFF DINAS A SIR CAERDYDD

**STANDARDS AND ETHICS COMMITTEE:**

**14 MARCH 2006**

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**REPORT OF THE MONITORING OFFICER**

**AGENDA ITEM 4**

**ETHICAL STANDARDS AUDIT**

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## **Reason for this Report**

1. To provide the Committee with a suggested framework for progressing an Ethical Standards Audit of the Authority.

## **Background**

2. The Local Government Act 2000 introduced a new ethical framework for local authorities. In the context of local government, an ethical framework is a set of principles which govern behaviour, embodying values such as accountability, openness and observance of the law, and which should determine the conduct of those who carry out their duties in the public interest.
3. The Standards & Ethics Committee is an important component of the ethical framework introduced by the LGA 2000, and the terms of reference of the Committee include at paragraph (a):  
  
“to monitor and scrutinise the ethical standards of the Authority, its Members, employees and any associated providers of the Authority’s services and to report to the Council on any matters of concern”.
4. The Committee at its last meeting (on 12 January 2006) resolved to conduct an Ethical Standards Audit of the Authority and to request the Monitoring Officer to submit a report to progress this matter to the next Committee meeting.

## **Issues**

5. An Ethical Standards Audit is a tool to enable local authorities to ascertain the level and standard of the ethical framework in place within the authority, to identify gaps and to assist in the process for remedying those gaps. The results from the Audit can therefore be used to inform the Committee’s work, and to report to the Council on any matters of concern.
6. The Committee will firstly need to consider and agree an appropriate methodology for the Audit.

7. A Desk Top Review may be conducted as a first stage of the Audit. This review should consider what relevant policies are in place within the Council; how such policies are communicated to officers, members, the public and any other interested parties; and what processes are in place and are applied to implement such policies. The Committee may wish to request that a Desk Top Review be carried out and reported back to its next meeting.
8. The Committee may then wish to consider undertaking a survey by use of a questionnaire to check awareness and understanding and seek the views of members and officers in this regard. Suggested outlines for Ethical Standards Questionnaires for Members and Officers are attached as **Appendix A** (A/1 & A/2 respectively).
9. The Committee will need to consider how it wishes to distribute the survey amongst members and officers, and may also wish to consider extending the survey to partner organisations, the public, District Audit and any others, by the use of another Questionnaire such as that attached at **Appendix B**.
10. The Committee will need to agree a suitable timescale for response to the survey, and following the end of this period, to request the responses to be collated and reported to the Committee for consideration.

## **ADVICE**

This report has been prepared on behalf of the Monitoring Officer. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the advice contained in this section.

### Legal Implications

All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### Financial Implications

There are no financial implications arising directly from this report.

## **RECOMMENDATION**

The Committee is recommended to consider and decide upon how it wishes to progress the Ethical Standards Audit, and specifically:

- (a) To authorise the Monitoring Officer to arrange for a Desk Top Review of policies and processes as set out in this report, and to report the outcome of that Review to the next Committee meeting;
- (b) To approve, with any necessary amendments, the Ethical Standards Questionnaires for Members & Officers, attached at Appendix A to this report;
- (c) To consider, and if thought appropriate, to approve, with any necessary amendments, the Ethical Standards Questionnaire for Partners / the Public / District Audit / any others, attached at Appendix B to this report;
- (d) To consider and decide to whom the Questionnaire/s referred to above are to be directed; what period is to be allowed for responses; and to request the Monitoring Officer to issue the Questionnaire/s accordingly;
- (e) To request that a report of the results of the Ethical Standards Audit (Desk Top Review and Questionnaire/s) be submitted to a future meeting of the Committee; and
- (f) To make any other recommendations in this regard that the Committee considers appropriate.

### **Kate Berry**

Monitoring Officer and Chief Legal & Democratic Services Officer  
08 March 2006

### Background papers

Local Government Governance, Richard Lester and Sandra Moss, Butterworths  
2001 - Ethical Governance Audit (Appendix 18)  
Welsh Audit Office Ethical Standards Questionnaire

### Appendices

Appendix A - Draft Ethical Standards Questionnaire – Members and Officers  
Appendix B - Draft Ethical Standards Questionnaire – Partners / Public / District  
Audit/ any Others

**DRAFT Ethical Standards Questionnaire - Members**

This survey is designed to gauge your level of awareness of the implications of **Part III of the Local Government Act 2000 (the Act)** and how it impacts upon you and your work with the Authority. This questionnaire explores in detail your individual level of awareness of the Authority's arrangements for complying with the Act in promoting high standards of ethical governance within the Authority.

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>
<b>Compliance with the Act</b>			
(1) Has the Authority adopted a Code of Conduct for Members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Are you clear about the role you are expected to play in relation to the Authority's Code of Conduct for Members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>General</b>			
(3) Do you believe standards of ethical conduct in this authority are high?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Does the Authority have a clear policy for promoting ethical standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Do you think the Council deals effectively with misconduct?			
• of Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• of Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Are you aware of, and do you have a broad understanding of the following documents?			
• Standing Orders / Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Scheme of Delegations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Code of Conduct for Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Code of Conduct for Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Protocol on Member / Officer Relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Financial Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Contracts Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you know where you can put your hands on the above documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) In respect of ethical governance are the council's practices and procedures relevant, up-to-date and clear?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) Does the Council consistently follow such proper procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(9) Is there good access to information for Members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(10) Do you have a reasonable understanding of the role of the following statutory officers?

- |                                                 |                          |                          |                          |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|
| • Head of Paid Service                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Monitoring Officer                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Chief Finance Officer / 'Section 151 Officer' | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(11) Does the Authority have a clear whistle-blowing policy?

**On a scale of 1-5**

**(1= making a positive difference 3= no difference, 5= a negative difference)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(12) Does the Standards & Ethics Committee make a positive difference in your view? Please give examples:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(13) Do you think the current approach for promoting ethical standards is making a difference across the Authority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Ethical governance training and support**

**Yes      No      Don't know**

(14) Have you been provided with training, advice or a briefing on your responsibilities with regard to the Authority's Code of Conduct?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(15) Have you been provided with training, advice or a briefing on:

- |                                       |                          |                          |                          |
|---------------------------------------|--------------------------|--------------------------|--------------------------|
| • The Human Rights Act 1998           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Freedom of Information Act 2001     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Race Relations (Amendment) Act 2000 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**How well you understand your responsibilities**

(16) If you become aware of any conduct by another member which you reasonably believe involves a failure to comply with the Authority's Code of Conduct what action as an individual should you take?

- |                                                               |                          |                          |                          |
|---------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| • inform the Monitoring Officer                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • make a written allegation to the Local Government Ombudsman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • speak to the member                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • do nothing                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(17) If you are appointed to represent the Authority on an external body whose internal rules conflicts with the Authority's Code, which requirements prevail?

- |                             |                          |                          |                          |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| • the Authority's Code      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • other organisation's Code | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • neither                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(18) Are you clear what a conflict of interest is?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(19) Do Members have a common understanding on how to deal with conflict of interests?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(20) Would you register an interest in the members register if:

- you have been appointed by the Authority as a representative to another body
- you have been appointed as a manager to another organisation which provides a public service
- you are in a management position in a company
- you are in a management position in a charity
- you are in a management position in an industrial and provident society
- you are a member of a trade union or professional association
- a person has made a payment to you in respect of your election or any other expenses incurred in carrying out your duties
- you are a member of a church
- you are a member of a society such as the freemasons
- you have an interest in a business or land in the Authority's area which exceeds the nominal value of £25,000
- you are a partner or paid director of a company which has entered into contracts for goods, services or works with the Authority
- you have a beneficial interest in land which is in the area of the Authority

**To make responses meaningful it would also be helpful to us if we could know the following:**

How long you have been a member? .....

Are you a member of the Standards & Ethics Committee? .....

Please add any additional comments that you feel will be helpful to our understanding of the Authority's approach to ethical governance.

.....  
.....  
.....  
.....  
.....

**Thank you for assisting with this research. Please return the completed form to:**

Your Name and contact number (optional)

.....

**DRAFT Ethical Standards Questionnaire - Officers**

This survey is designed to gauge your level of awareness of the implications of **Part III of the Local Government Act 2000** and how it impacts upon you and your work with the Authority. This questionnaire explores in detail your individual level of awareness of the Authority's arrangements for complying with the Act in promoting high standards of ethical governance.

	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
<b>Compliance with the Act</b>			
(1) Do you know if the Authority has adopted a Statutory Code of Conduct for Members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Do you know if the Authority has adopted a Statutory Code of Conduct for officers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Are you aware that the Authority has a Standards and Ethics Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Are you clear about the purpose of the Standards & Ethics Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>General</b>			
(5) Do you believe standards of ethical conduct in this authority are high?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Does the Authority have a clear policy for promoting ethical standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Do you think the Council deals effectively with misconduct?			
• of Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• of Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) Are you aware of, and do you have a broad understanding of the following documents?			
• Standing Orders / Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Scheme of Delegations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Code of Conduct for Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Code of Conduct for Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Protocol on Member / Officer Relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Financial Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Contracts Procedure Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you know where you can put your hands on the above documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(9) In respect of ethical governance are the council's practices and procedures relevant, up-to-date and clear?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(10) Does the Council consistently follow such proper procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(11) Do you have a reasonable understanding of the role of the following statutory officers?			
• Head of Paid Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Monitoring Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Chief Finance Officer / 'Section 151 Officer'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(12) Does the Authority have a clear whistle blowing policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(13) Has the Authority begun to integrate the Statutory Codes of Conduct into other schemes and policies such as diversity?  
If yes, which?

  

(14) Has the Authority begun to integrate the Statutory Codes of Conduct into its procedures for example, complaints procedures?

  

If yes, which?

**On a scale of 1-5**  
**(1=making a positive difference, 3= no difference, 5=no difference at all**

1 2 3 4 5

(15) Does the Standards & Ethics Committee make a positive difference in your view?  
Please give examples:

    

(16) Is the current approach to ethical standards policy making a difference across the Authority?

    

**Ethical governance training and support**

**Yes No Don't know**

(17) Have you been provided with a briefing / information on the Codes of Conduct?

  

(18) Have you been provided a briefing / information on:

- The Human Rights Act 1998
- Freedom of Information Act 2001
- Race Relations (Amendment) Act 2000

    
    
  

**How well you understand your responsibilities**

(19) Are you clear what a conflict of interest is?

  

(20) Do Officers have a common understanding on how to deal with conflict of interest?

  

(21) Should you declare an interest where you have an interest in a company which is being considered by the Authority for a contract?

  

(22) Should you avoid:

- acceptance of employment by a third party whilst working for the Authority?
- receiving preferential rates by virtue of your dealings on behalf of the Authority?
- using your position for private gain or for the benefit of family or friends?

    
    
  

(23) Are you clear when you should disclose receipt of a gift and or hospitality?

  

(24) Are you clear what the procedure is for reporting a potential breach of the Statutory Code of Conduct for officers?

  

(25) Are you clear what the procedure is for reporting a potential breach of the Statutory Code of Conduct for Members?



**To make responses meaningful it would also be helpful to us if we could know the following:**

Your Position .....

Your Department & Section .....

Please add any additional comments that you feel will be helpful to our understanding of the Authority's approach to ethical governance.

.....  
.....  
.....  
.....  
.....

**Thank you for assisting with this research. Please return the completed form to:**

Your Name and contact number (optional)

.....

**DRAFT ETHICAL STANDARDS – QUESTIONNAIRE**

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**- Partner Organisations / the Public / District Audit / Others**

## **INTRODUCTION**

In the context of local government, an ethical framework is a set of principles which govern our behaviour. Values like accountability, openness and observance of the law should determine the way we conduct ourselves in the carrying out of our duties in the public interest.

The Local Government Act 2000 provides for a new ethical framework for Members requiring them to observe a Code of Conduct which will be largely set nationally and a disciplinary procedure for dealing with complaints alleging misbehaviour. The Act also provides for a new Code of Conduct for employees which is automatically incorporated into contracts of employment.

## **QUESTIONNAIRE**

This audit has been approved by the Council's Standards & Ethics Committee. Responses from a sample of **xxxxxxxx** will assist in assessing any ethical vulnerabilities facing the Council. The responses will be collated and are non-attributable. The results will help the Committee in particular in deciding how best to devote resources to training on conduct matters. Any persons who would like to participate in further confidential discussions on the issues raised are asked to complete the statement at the end of the questionnaire.

Please tick the answers you feel best reflect your view.

NO	QUESTIONS	ANSWER				COMMENTS (IF ANY)
		Yes	To a large extent	Not really	Not at all	
1.	Is it important for local government to establish and operate by a set of strong ethical values?					
2.	Do you perceive standards of ethical conduct within the Council to be high?					
3.	Is there good access to information for the public?					
4.	Do you receive clear information about the work of the Council which is relevant to you?					
5.	Do you understand the processes for the conduct of local authority business?					
6.	Do you think there is any complacency about standards of conduct? (a) within Members (b) within Officers					
7.	Do you think Members see themselves as having a role in ensuring good conduct and high standards on the part of others?					
8.	Do you think Officers see themselves as having a role in ensuring good conduct and high standards on the part of others?					
9.	Do you think the Council deals effectively with misconduct? • of Members • of Officers					
10.	Are you aware of the existence and role of the Standards & Ethics Committee?					
11.	Do you know where (or from whom) you can obtain information on Standards issues?					
12.	Are there any questions you would want the Ethical Standards Audit to answer for you?					

**WHAT IS YOUR RELATIONSHIP WITH THE COUNCIL?**

Partner organisation

Member of the Public

District Audit

Other

Please add your name and signature **only** if you would like a specific response to any issue that you have raised – or if you would like to.

Name (in block capitals) \_\_\_\_\_

Organisation (if any) \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

**THANK YOU FOR COMPLETING THIS QUESTIONNAIRE. THE STANDARDS & ETHICS COMMITTEE ARE VERY GRATEFUL FOR YOUR CO-OPERATION.**

Please use the attached addressed envelope to return the questionnaire to: