Ethical Governance

Southwark Council

Audit 2007/08
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Ethical Governance

Introduction

1 High ethical standards are the cornerstone of good governance. They are an integral part of good corporate governance arrangements and can lead to increased confidence in local democracy.

2 Setting high ethical standards is an important building block for councils in developing their community leadership role and improving services to the community. Councils are also becoming involved in increasingly complex partnerships and a decline in high standards may adversely affect these arrangements.

3 Local authorities and individual Members now face a number of risks, including:
   - referral to, and investigation by, the Standards Board for England or the local Standards Committee for alleged breaches of the code of conduct, sometimes leading to the disqualification of Members;
   - loss of confidence in individual Members, councils and local democracy; and
   - poor decision-making.

4 Ethical governance is an area of great interest to the national and local press, particularly when things go wrong. On average, one councillor a week in 2006 was removed from office because of breaches of the code of conduct including for bullying behaviour, misuse of council resources, bringing the council into disrepute and using their position as a councillor for personal gain. Other sanctions have included formal censure and suspension from using council facilities. When things go wrong and councillors are found guilty of a breach of the code of conduct 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.

Background

5 The Audit Commission uses an on-line survey to see how well Members and senior officers understand their Council's arrangements for maintaining high standards of ethical behaviour, and how well they think they comply with these standards. As the survey has been widely used nationally, we can tell how Southwark responses compare with the aggregated responses of more than 50 other Councils.

6 In Spring 2006, we undertook the survey at Southwark. However, perhaps because of the timing of the election, relatively few Members responded (36 per cent or 10 per cent below the national average). The officer response rate was also low at some 39 per cent. Furthermore, nearly half the individuals who were Members at the time of the 2006 survey are no longer on the Council. For these reasons, we arranged to run the survey again in 2007, to reflect the views of current Members and senior managers.
The key issues emerging from the 2006 survey were as follows.

- Members were generally less satisfied with arrangements than officers, particularly in areas such as relationships between Members and between Members and officers, whether the culture allows challenge without fear of reprisals and the quality of partnership working.
- Respondents were generally less familiar with the way the code of conduct works than the national average.
- The role of the Standards Committee is not always well understood. Not all respondents were convinced that it was making a difference.
- While the majority of respondents reported they had a good understanding of what a conflict of interest involved, a number of Members did not know what to do if they were appointed to an external body with a different code of conduct.
- Respondents thought it was not easy for the public to access information about the code of conduct and the register of Member's interests.
- Members reported a lower than average level of trust between Members and between Members and officers.

Audit approach

The survey was issued to all Members and senior officers of the Council in September 2007. Returns were received from 20 Members (32 per cent) and 42 officers (74 per cent). Disappointingly, this is an even lower response rate from Members than in 2006. More positively, the officer response rate is higher although fewer officers were asked to complete the survey than in 2006. Nevertheless, the overall low response rate raises questions about the profile of the ethical agenda within the Council.

This report covers our findings from the survey. No other audit work, such as interviews with Members and officers, was undertaken, other than some preliminary discussion of the findings with the Monitoring Officer. Therefore this summary can only report on what Members and officers who responded to our survey consider is happening in the Council and their views of the Council's arrangements.

Main conclusions

We have provided a separate report in graphical format showing how the 2007 survey results for Southwark compare with the 2006 results, as well as with the national average. This report summarises key issues from those results.
11 There are a number of differences between the 2006 and 2007 findings for Southwark, perhaps reflecting the fact that there has been an almost 50 per cent turnover in members since the 2006 election. In the 2007 survey, some issues are viewed more positively by respondents, while others cause more concern than they had in 2006.

12 Positive findings from the 2007 survey include the following.

- Members generally report that they understand their obligations relating to conflicts of interest better than Member respondents did in 2006.
- More Southwark Members and officers were considered to show respect to officers, Members and people who use Council services than in 2006. More Members and officers were considered to treat people fairly without discriminating unlawfully.
- Many more respondents felt that the Council 'always' seeks to meet the needs of its diverse communities, and that staff are appropriate skilled to meet these needs.
- Respondents in 2007 were more likely to agree that the Council learns from other councils to ensure that its ethical arrangements are appropriate.
- More people 'strongly agree' that the Council has a culture in which decisions can be challenged without fear of reprisals.
- The proportion of Members who feel strongly that they have received appropriate training has doubled to nearly 80 per cent.

13 Other 2007 findings are less positive or merit further consideration. These are listed in the attached Appendix. Key issues include:

- fewer Members are 'very clear' about their responsibilities under the ethical framework than in 2006, although more are 'fairly clear';
- Members are not always clear what action to take if they become aware of conduct by another Member which involves a failure to comply with the Council's code of conduct;
- the profile of the Standards Committee does not appear high. A relatively high proportion of Members were not clear about its role. Similarly, a relatively low proportion 'agreed strongly' that the Standards Committee operates effectively;
- respondents were not always clear about the whistleblowing policy and the complaints procedure;
- fewer officers reported that they had agreed to abide by the officers' code of conduct; and
- in response to 'Members work well together to achieve the Council's common goals' more Southwark respondents answered 'rarely' and fewer answered 'always' than the national average.
14 The Appendix includes some initial comments from officers as well as a list of issues for further consideration/examination by senior managers and/or the Standards Committee.

<table>
<thead>
<tr>
<th>Recommendations</th>
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<tr>
<td><strong>R1</strong> Senior managers and the Standards Committee should review the issues for further consideration listed in the Appendix to this report, and agree a plan of action.</td>
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**The way forward**

15 We will monitor progress as part of future audit plans.
Appendix 1 – Responses for detailed consideration

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<tr>
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<tr>
<td>Ethical standards and compliance - Members</td>
<td>Has the Council adopted a code of conduct for officers?</td>
<td>Southwark responses compare unfavourably with the national average. Fewer Southwark Members agreed with this statement. Members are familiar with the Member/officer protocol (which has links to the officers’ code of conduct) and may have been confused by the question. If asked about the protocol, it is likely that more would have responded positively.</td>
<td>Remind Members of the role and purpose of the officers’ code of conduct.</td>
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<td>How clear are you about your responsibilities under the ethical framework?</td>
<td>Fewer Members said they were ‘very clear’ about their responsibilities than in 2006. … although the proportion of respondents who said they were ‘fairly clear’ about this has increased.</td>
<td>Do Members need further training to clarify their responsibilities?</td>
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<td>Your Council’s approach to promoting high ethical standards is encouraging appropriate behaviour across the Council?</td>
<td>Southwark Members’ responses compare unfavourably with the national average. Fewer Southwark Members ‘agreed strongly’ or ‘tended to agree’ with this statement (although officer responses were more favourable). The survey, which is at ‘headline’ level, does not reveal why members responded in the way they did.</td>
<td>Senior managers and/or the Standards Committee will wish to investigate the reasons.</td>
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### Appendix 1 – Responses for detailed consideration

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| Ethical Governance | If you become aware of any conduct by a member which you reasonably believe involves a failure to comply...what action must you take:  
• Inform the monitoring officer?  
• Make a written allegation to the Standards Board?  
• Do nothing? | Responses to this group of questions suggested that some members were not clear what action they should take (although officer responses generally suggested they were clearer about what they should do).  
It is possible that some respondents have been confused by the recent changes in the national code of conduct which removes the obligation to report to the Standards Board.  
Nevertheless, it is a cause for concern that some respondents thought they should do nothing. | Remind Members of their responsibilities under the new arrangements. |
| | I understand the role of the Standards Committee. | Fewer Southwark Members said they understood this than the national average (although officer responses were more favourable).  
This suggests that the profile of the Southwark Standards Committee is not sufficiently high among Members. In the absence of investigations, the Standards Committee has had limited work to do, other than overseeing code of conduct training. | Consider how to publicise the role of the Standards Committee; and how it can be more proactive. |
| | I believe the Standards Committee operates effectively. | The proportion of Southwark Members who said they ‘agreed strongly’ was substantially lower than the national average.  
See above. | As above. |
| | The Standards Committee has a forward plan to guide its work. | Only 15 per cent of Southwark Members ‘agreed strongly’ that there was a forward plan.  
A forward plan does exist but is clearly not widely known. This links with the findings above, suggesting that the Standards Committee as a whole has a low profile within the Council. | Publicise the Standards Committee’s forward plan. |
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<td>Ethical Governance</td>
<td>How clear is the (whistleblowing) policy?</td>
<td>Fewer Southwark Members said they were ‘very clear’ about this than the national average. (See also officers’ responses later.) Although the policy has been placed on the Council’s intranet, some Members may not have found it accessible. They may not understand who is protected; or whether to use this policy or the complaints procedure in particular circumstances.</td>
<td>Clarify the relative roles of the whistleblowing policy and the complaints procedure.</td>
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<td>The hospitality and gifts register is reviewed regularly.</td>
<td>Southwark Member responses compare unfavourably with the national average, with significantly more ‘don’t knows’. Members were asked to sign up to the new code in May 2007 and all duly submitted their declarations. Officers are considering how frequently to remind Members of their obligations.</td>
<td>Consider how frequently to remind Members of their obligations to declare hospitality and gifts.</td>
</tr>
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<td>Conflicts of interest...you are a Member of a freemasons’ lodge that does not have charitable status?</td>
<td>While Members said they were generally clear about conflicts of interests, they were not clear about this one. This is not well understood.</td>
<td>Clarify whether membership of a freemasons’ lodge that does not have charitable status constitutes a potential conflict of interest.</td>
</tr>
<tr>
<td>Ethical standards and compliance - officers</td>
<td>Have you agreed to abide by the officers’ code of conduct?</td>
<td>The proportion of officers who said they had agreed to abide by a code of conduct is lower than in 2006. (However, responses to later questions in the survey indicate that officers feel they understand their responsibilities well). The code of conduct is available on the intranet. Officers accept that procedures for requiring new officers to sign up to the code of conduct have been applied inconsistently. Induction arrangements need to be reviewed.</td>
<td>Ensure that all officers are required to sign up to the code of conduct as part of their induction.</td>
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<td>Whistleblowing – how clear is the policy?</td>
<td>Fewer officers were ‘very clear’ about this than in 2006. See Members’ responses above.</td>
<td>See Members’ responses above.</td>
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<td>Code of conduct – behaviour and culture: Management of standards</td>
<td>The Council’s complaints system is clear and accessible</td>
<td>Fewer Southwark respondents than the national average ‘agreed strongly’ with this statement, and more ‘tended to disagree’. See comments above on the whistleblowing policy. Respondents may not understand the differences between these policies and which to use.</td>
<td>See above (whistleblowing policy).</td>
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<td>Code of conduct – behaviour and culture: Team working and cooperation</td>
<td>Members work well together to achieve the Council’s common goals.</td>
<td>More Southwark respondents answered ‘rarely’ and fewer answered ‘always’ than the national average. This may be the result of having no overall control.</td>
<td>Consider whether this is the inevitable result of the Council having no overall control?</td>
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### Appendix 2 – Action plan

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<th>Page no.</th>
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<th>Responsibility</th>
<th>Agreed</th>
<th>Comments</th>
<th>Date</th>
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<td>7</td>
<td>R1 Senior managers and the Standards Committee should review the issues for further consideration listed in the Appendix to this report, and agree a plan of action.</td>
<td>3</td>
<td>Deborah Collins, Monitoring Officer</td>
<td>Yes</td>
<td>This report will provide a very useful basis for the Standards Committee to consider the issues raised. The Standards Committee will consider this report in January 2008.</td>
<td>Action plan by May 2008</td>
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