

ETHICAL GOVERNANCE - PROGRESS REPORT

Background

1. Wiltshire County Council's constitution gives responsibility for the oversight of the council's ethical governance to the Standards Committee. The Committee receives regular reports on ethical governance issues, and liaises with the Audit Commission and the internal audit on these matters.
2. This report provides a report on progress against issues identified by the Audit Commission as areas for consideration by the Council and outlines the future programme of work.

Audit Commission Survey – Ethical Framework and Culture

3. The Audit Commission conducted a review of the ethical culture and framework of the council last year. They reviewed the council's documentary framework, sent out a questionnaire to officers and members, and conducted detailed testing of a selection of contract transactions, including the monitoring of contracts.
4. The Commission found that "overall, the work indicated a robust ethical culture." The Audit Commission has reported this finding in their 2001/2002 annual Audit Letter, which goes on to say that their "work on the Council's ethical culture will continue through the next year in discussion with officers of the Council and with the Standards Committee."

Ethical Standards Matrix

5. Members of the Standards Committee have received a list of 33 indices of ethical governance set out as a matrix, with progress against these indices being charted. This report sets out a final version of the matrix (Appendix 1). Most areas of work have been completed, or form part of a rolling work programme. There are 3 tasks that remain to be completed:
 - Written protocol for internal investigations (box 7)
 - Liaison protocol for joint management of investigations (box 10)
 - A formal anti-fraud and corruption policy (box 12)

6. The Chief Auditor will report on progress against these two outstanding tasks, since both fall within his area of responsibility.
7. The Audit Commission has agreed that subject to the completion of the outstanding tasks, a fresh set of indices can be compiled based on an agreed programme of work.

Future work programme

8. The matrix appended to this report identifies a wide range of areas in which work will be required on a long-term or permanent basis, and the council will ensure that this continues. However, where such work has now been built into the council's routine operations procedures, no further reports will be brought to the Standards Committee. If any area ceases to fall within the routine work procedures, it will be brought to the Committee's attention as an exceptions report.
9. The Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers have formed a working party to draw up a framework setting out the fundamental principles and standards for good practice in governance, published as "Corporate Governance in Local Governance – A Keystone for Community Governance". The document takes into account the need to demonstrate best value in service provision and the implementation of the new ethical framework, and as such appears to represent a method of codifying our own corporate governance arrangements in line with current best practice.
10. The Audit Commission, the Chief Auditor and the Corporate Standards Manager will draw upon this framework to establish a work programme for the council's ethical governance in the coming year. Subject to approval by Chief Officers, the proposed work programme will be brought to the Standards Committee in December 2003.

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Unpublished documents relied upon in the production of this report: NONE

Environmental impact of the recommendations contained in this report: NONE