

## REPORT OF STANDARDS COMMITTEE

(Meeting held on 21 July 2004)

### 1. CODE OF PRACTICE FOR CORPORATE GOVERNANCE – ANNUAL REPORT OF THE MONITORING OFFICER AND SECTION 151 OFFICER (REPORT B) (MINUTE 6).

The Committee has received the results of an annual audit by the Monitoring Officer and the Head of Audit, on compliance with the Council's Code of Practice on Corporate Governance.

In 2001, as a response to the Government's initiative to promote good corporate governance within local authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) jointly published a framework for establishing a local code of practice for corporate governance.

This framework was used as a basis for a local Code of Practice of Corporate Governance, which was formally adopted by the Standards Committee on 8 August 2003, and by Council on 3 September 2003.

The Standards Committee is charged with monitoring and reviewing compliance with the Council's adopted Code of Practice. It was agreed that the Monitoring Officer and Head of Audit would jointly review the arrangements in place, reporting to the Standards Committee on an annual basis, on how they consider the Council is complying with the Code, together with any proposals that may be necessary to ensure its effectiveness in practice.

The Committee has considered the first annual report on compliance with the Code of Practice on Corporate Governance and for the year ended 31 March 2004.

The corporate framework for the audit comprised of five key areas:

- Community Focus
- Service Delivery Arrangements
- Structure and processes
- Risk Management and Internal Control
- Standards of Conduct

The review highlighted a number of issues where further development of procedures was required. Officers have in place an action plan to ensure all of the above issues are addressed during the current financial year.

It was noted that annual reports on corporate, service, and ombudsman complaints would be submitted to the Corporate Overview Panel. The Committee felt that it would complement their role if the Committee received a copy of the Complaints Annual Report, so that they could have the opportunity to pass comments to other committees, panels or services as appropriate.

The Committee noted a finding by the Comprehensive Performance Assessment Team, that the Council was inconsistent in recording complaints, and as a result was missing out on a learning opportunity . In response to this, a small officers' group had been set up to create a centralised system for dealing with complaints in a consistent way. A pilot scheme is due to commence shortly, involving the Planning Service and Tax and Benefits, with a view to its introduction across all services from April 2005. The Committee agreed that the Council is carrying out its activities in accordance with proper practice, and it was able therefore to publish a Statement on Internal Control with the financial accounts of the Council for the year ended 31 March 2004.

The Committee is of the view that the Council is able to have confidence in the effectiveness of its own corporate governance arrangements.

## **2. MONITORING AND REVIEW OF THE COUNCIL'S ETHICAL FRAMEWORK (REPORT C) (MINUTE 7)**

The Committee received a monitoring report on the operation of the Council's ethical framework.

In May 2002 the new national Code of Conduct for Councillors was introduced, and in June 2003, the Committee considered a report from the Monitoring Officer about the operation of the Code during the first 12 months since its introduction. The Committee also considered how it should comply with its statutory duties to keep the ethical framework under review, and monitor the operation of the Code of Conduct and local codes. The Committee had then requested the Monitoring Officer to present an annual statistical report to the Committee on the Council's ethical framework, setting out her conclusions therefrom.

The report considered on 21 July 2004 contained information and conclusions relating to the 2003/04 Municipal Year about:

- a. The public register of financial and other interests
- b. Declarations of interest at meetings
- c. Formal complaints about member conduct
- d. Member training
- e. Members' attendance at meetings
- f. The ethical framework as it applies to Parish and Town Councillors.

It was noted that only 8 Parish or Town Councillors out of approximately 350 had notified the Monitoring Officer of a change in their financial or other interests during the past year, compared to 30% of District Councillors. The Monitoring Officer sought the Committee's views on whether any particular action should be taken to address the situation, but Members did not currently feel it necessary. Normal monitoring by officers would continue and the Committee would receive regular updates.

Members noted that District Audit had recommended that “The Standards Committee should consider how it should expand its role from monitoring compliance with the ethical framework, to positively promoting ethical standards.” It was felt that the District Auditor had not taken into account all the good work the Committee did. Thorough training was offered and undertaken, and officers were proactive wherever possible in advising Members of potential problems with their interests when they arose. Furthermore, a lot of effort was devoted on a daily basis to advising Town and Parish Councils on these issues.

Overall the Committee noted that members were aware of and were applying the requirements of the Code of Conduct and the Council’s ethical framework. No general or widespread problems had been identified. Members’ attendance at meetings was generally good. However, a few areas in which further guidance could be given or action taken had been identified. These would be addressed as appropriate.

Cllr J A G Hutchins  
**CHAIRMAN**