Assurance
LINCOLNSHIRE
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NEWARK &
SHERWOOD
DISTRICT COUNCIL

Health Check
 – 11ᵗʰ June 2019

CULTURE & Values

Ethical culture –
looking below the surface
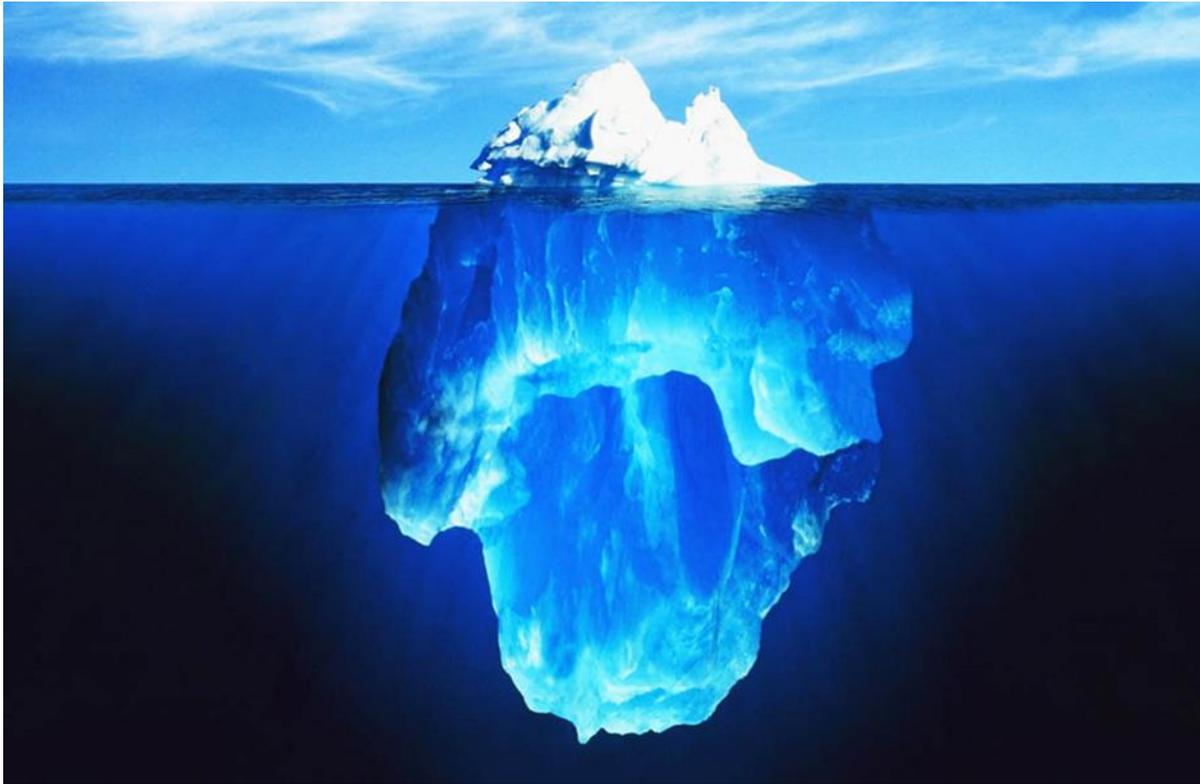
Review will focus on:

A group of moral principles or set of values that define or direct us to the right choice

'the way we do things around here'

Why is it important?

- Crucial to the success of an organisation

- Good ethical governance cannot be achieved by rules and procedures alone

- A culture that places the public and integrity at the heart of its business

- One key area of the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework' – published in April 2016 (the Framework) is demonstrating the 'ethical mind set' in how decisions are made

Why is it important?

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Birmingham council leader John Clancy quits over bin strike and admits 'mistakes'

Sky News

Sunderland City Council 'failures' contributed to child harm

Paradise Papers: Tax haven secrets of ultra-rich exposed

BBC

A "collective failure of leadership" at a Bristol city council led to a £29m deficit in its finances, a report has found.
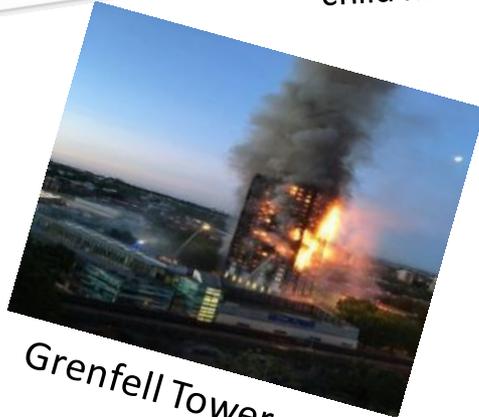
Mother-of-one, 19, blasts council for sending her a letter with 'I hate you' written on it

- Antonia Wright was shocked to see words 'I hate Miss Antonia Wright' on letter
- She thinks Doncaster Council worker might have been joking around in office

Doncaster
Metropolitan Borough Council

I hate Miss Antonia Wright

Contact:
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E-mail: 01302 734373
Our Ref: housing.benefits@doncaster.gov.uk
Your Ref: F6/BEN/

Grenfell Tower

Lincolnshire
COUNTY COUNCIL
Working for a better future

Cllr jailed for redrawing the map

Lincolnshire
COUNTY COUNCIL
Working for a better future

CITY OF
Lincoln
COUNCIL

East Lindsey
DISTRICT COUNCIL

Nottinghamshire
County Council

Why is it important?

London Enterprise Academy
Learning for Life

Carillion

Northamptonshire County Council

Cash-strapped Northamptonshire County Council has spent almost £50,000 on flights in three years - including £9,000 on trips to Jamaica.

Gainsborough town councillor and pub owner among group convicted of drug charges

Definition

'Doing the right things in the right way –
putting the public interest in decision making at
all times'

*"If management is about running the business – governance is about
seeing that it is run properly"*

Robert Tricker. An expert in Corporate Governance .

Definition

It means:

- **Reflecting the organisations values** – the principles and standards underpinning the way we interact with others to support excellent service delivery

- **Behaviour** – the way we conduct ourselves and act out those values as part of our day to day functions in business operations and service delivery (the 10 principles of public life). How this is perceived by colleagues, members of the public, partners, suppliers and the media

- **Good Governance –** achieving business success by having the good systems and processes in place to run the Council well

Definition – A Learning Culture

It means distinguishing between:

- **Simple mistakes or errors** – individuals should not be 'blamed' for things going wrong but they should be held accountable for their actions and learn from mistakes

- **Risky behaviour** – having a strong risk and control culture. Clearly understanding your risks and their potential impact. Where risk decisions need to be improved then individuals should be coached and educated to be more careful

- **Reckless behaviour –** systems and processes set up to encourage people to comply but where they deliberately over-ride controls – action is taken

Assurance Lincolnshire's Approach

- Consultancy engagement
- Phase One – Health Check
  - Benchmark current structures, processes, values and systems put in place and then compared these current governance arrangements to the Framework
- Phase Two –Governance Review
  - The Senior Leadership Team have prime responsibility for defining and analysing organisational culture by promoting good ethics and values – this review aims to provide them with some insight on this. How the governance arrangements work in practice – the Culture

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Phase One

- Annual Governance Statement development

- Benchmarked against CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework' – published in April 2016

  - Principle A - Integrity & Values
  - Principle B - Openness & Engagement
  - Principle C - Making a difference
  - Principle D - Working together
  - Principle E - Capability
  - Principle F - Managing risk & performance
  - Principle G - Transparency & accountability

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Phase Two - Governance Review

- Review Sponsor to help smooth the way – a Senior Officer and Member

- Survey – Employee and Members

- Data analytics

- Discussions with key stakeholders

- Focus Group(s)

- Measuring Success - Ethical Maturity Model

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Survey questions around

– Behaviour

– Understanding of policies

– Scenarios

Discussions with Key Stakeholders

– Leader and Chairman of key committees

– Senior Leadership Team

– Other key stakeholders (key suppliers / partners (agreed with review sponsors)

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Data Analytics – by examining the intelligence and information the following tells us about 'how you do your business', for example:

- – Policies and Procedures
- – Complaints / Ombudsman
- – Residents surveys
- – Monitoring Officer annual report
- – Management oversight
- – HR data
- – Register of interests
- – Gifts and hospitality
- – Peer reviews
- – Employee surveys

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Focus Group

- Working with service / operational management groups to research and obtain their perceptions, opinions, beliefs and attitudes around the 'ethical mind-set' on how you do your business and make decisions.

- This will aim to test out the 'tone from the top' and how the Council delivers its intended outcomes / results while acting to its core values and in the Public Interest at all Times.

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Measuring success

- We have developed a 'maturity model' to enable us to measure and evaluate the Council against a recognised achievement level - this is based on recognised good practice standards but focusses on the CIPFA Good Governance Principle A – Integrity & Values:-

'Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law'

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Maturity Model

The Model tests the extent to which ethics is having a positive effect on the organisation – with the ethical maturity being assessed at one of five levels:

- **Leadership & management**
- **People**
- **Processes and Procedures**
- **Culture, Values and Consistency**
- **Assurance and Accountability**

Level	Description
Level 1 Emerging	Ethical framework is emerging within the organisation
Level 2 Happening	Ethical framework is happening within the organisation
Level 3 Working	Ethical framework is working for the organisation
Level 4 Embedded & working	Ethics framework is embedded and integrated within the organisation
Level 5 Driving	Ethical framework is driving the organisation

Outcomes
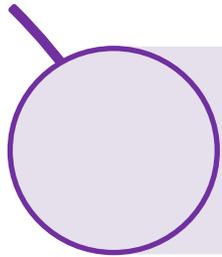
Results of focus group discussions will help inform our evaluation of Council's governance arrangements
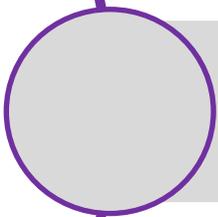
Report – brings it all together measuring arrangements against best practice maturity model and suggesting any areas for improvement
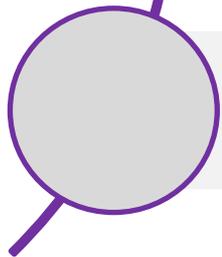
Presentations – Senior Leadership Team and Audit & Accounts Committee

Thank You

Presented by: Lucy Pledge – Head of Audit

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https://www.lincolnshire.gov.uk/assurance-lincolnshire/