

# Ethics 2017/18

## Final Report



Issue Date: 03 January 2018

Working in Partnership to Deliver Audit Excellence

## Executive Summary

-  This section provides an overview for senior management to understand the main conclusions of this audit review, including the opinion, significant findings and a summary of the corporate risk exposure.

## Findings and Outcomes

-  This section contains the more detailed findings identified during this review for consideration by service managers. It details individual findings together with the potential risk exposure and an action plan for addressing the risk.

## Appendices:

-  Audit Framework Definitions
-  Support and Distribution
-  Statement of Responsibility

# Executive Summary

## Overview

As part of the Council's 2017/18 audit plan a review has been undertaken to assess the adequacy of the controls and procedures in place for Ethics. This work has been undertaken by SWAP Internal Audit Services, on behalf of the Bridgend and Vale Internal Audit Shared Service Team.

The purpose of the audit has been to provide assurance that the Council are operating under high standards of ethical behaviour, whilst also assessing the cultural climate in place at the Council. It was expected that the Council would have their own values and behaviours in place which align with the seven principles of public life, which would be molded to fit within their working environment.

The Council created and adopted a Staff Charter in 2016 following workshops with staff, as part of their commitment to comply with the Well-Being of Future Generations Act (2015). The Act states that improvements need to be made to the social, economic, environmental and cultural well-being of Wales.

The Staff Charter sets out the agreed four values which underpin the Council, with the contents of the document used to assist with ensuring that the best possible service to customers is maintained during times of change and challenge.

The four values detailed within the Staff Charter are:

- **Ambitious** – *'Forward thinking, embracing new ways of working and investing in our future.'*
- **Open** – *'Open to different ideas and being accountable for the decisions we take.'*
- **Together** – *'Working together as a team that engages with our customers and partners, respects diversity and is committed to quality services.'*
- **Proud** – *'Proud of the Vale of Glamorgan: Proud to serve our communities and to be part of the Vale of Glamorgan Council.'*

Against each of the values are mutual expectations for both the Council and employees, which set out the support, responsibilities and qualities which are expected of both parties to enable high levels of behaviour and performance to be performed.

The Staff Charter has been utilised as the central point for other key changes and additions to be implemented. This report has outlined where good practice has been embedded within the Council as a result of the work that has been performed, as well as highlighting areas which may warrant review in order to address weaknesses and enhance ethical and cultural practices further.

## Objective

To assess whether the authority has high ethical standards and that staff are aware of and follow shared values, attitudes and patterns of behaviour that align with the seven principles of public life.

## Significant Findings

It is pleasing to note that no significant findings have been raised within this work.

## Audit Opinion:

**Substantial**

The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

No formal recommendations have been made within this report, with any areas deemed to be of concern already having actions against them to improve the potential weaknesses found. The Council have performed extensive work to redefine their ethical climate and culture with the input and assistance of their staff, and they should be commended for their forward thinking approach to ethics and culture. The creation of the Council's Staff Charter has been the starting point for this, which has been used as a vehicle for further processes to be created and introduced to the Council's environment.

## Well Controlled Areas of the Service

The following areas have been found to be well controlled within audit testing:

- A Staff Charter has been created, which provides the four values of the Council and the key requirements in order to achieve them
- Key ethical documents are embedded within the Council, including Codes of Conduct, Declarations of Interests and a Whistleblowing Policy.
- Clear channels of communication have been established between Corporate Management and staff
- A revised appraisal process has been implemented, with completion rates since April 2017 at 93.8%
- A revised induction process has been created, which has received positive feedback from recent attendees
- Whistleblowing instances are of a low number and appear to be dealt with in an efficient manner
- Staff survey results have been utilised to create action plans to improve ethical and cultural standards
- A Standards Committee is in place and works in line with its Terms of Reference.

## Corporate Risk Assessment

Risks	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. Staff do not act in the best interests of the Council, impeding corporate change programmes and day to day service delivery because the Council has not supported positive culture and ethical behaviour framework.	Medium	Medium	Low

# Findings and Outcomes

## Method and Scope

This audit has been undertaken using an agreed risk based approach. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

This audit has comprised of a review of the Council's ethical climate, to ensure that high standards are expected and maintained across employees. There has been a focus upon the work undertaken by the Council to define its culture.

Discussions have been held with a variety of staff members, and the Council's intranet site has been utilised to obtain key ethical documentation. Benchmarking performed against a number of SWAP Partners has also been used to provide a comparison regarding the Council's maturity in relation to ethics and culture.

SWAP's reporting format and structure has been used following agreement with the Shared Service's Head of Audit.

1	Staff do not act in the best interests of the Council, impeding corporate change programmes and day to day service delivery because the Council has not supported positive culture and ethical behaviour framework.	Low
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### 1.1 Finding and Impact

#### **Core Values**

The Council have performed a large amount of work in recent years to outline and define their core values, a process which has included input from employees. This culminated in the creation of the Council's Staff Charter, consisting of four core values, each with related key terms regarding what staff can expect from the Council, and what the Council expects in return. These values have been embedded within working practices across the Council, including appraisals, staff surveys, and the new starter induction process being built around the contents of the Charter.

### 1.2 Finding and Impact

#### **Visibility of Charter Champions**

The Council has 16 Charter Champions in place, with representatives from each of the four Directorates. Discussions were held with a sample of Charter Champions to obtain information on their roles. Whilst each sampled Charter Champion was able to provide a consistent insight into the role they perform, mixed views were provided in relation to how fellow staff would know that they are their Charter Champion and therefore are available as a mechanism to raise any concerns or queries. One Charter Champion advised that it is possible that staff do not know that they are their Charter Champion. This was raised with the Head of HR, who agreed that it would be of benefit for the Charter Champions to have more visibility within the Council, and advised that work was already

underway to do so. A page is being created on the Council's intranet to outline each of the Charter Champions, and some Charter Champions now attend the 'Welcome to Vale' induction day to enable new starters to be introduced to them. As improving the visibility of Charter Champions already appears to be in hand, no further recommendations have been made.

### 1.3 Finding and Impact

#### **Communications Throughout the Council**

As part of the Council's work to redefine its ethical and cultural ambitions, additional communication streams have been implemented to enable key information to be shared between Corporate Management and staff. This has included an improvement in the feedback mechanisms available to staff. The annual staff survey is an example of this. The results from 2016 show that overall staff feel positive regarding the Council, and work has been performed within the past year to improve those areas where the lowest scores were provided.

Communications should be improved further via enhancements to the visibility of Charter Champions. Charter Champions attend quarterly CMT and Staff Engagement Group meetings, therefore have a platform to enable staff's views to be raised. Employees having a greater knowledge of who their local Charter Champion is will allow for this communication stream to be utilised more effectively.

### 1.4 Finding and Impact

#### **Complaints**

The Council apply a two-stage system to complaints:

*Stage 1* - Following a complaint from a customer, the respective Service Area is tasked with dealing with the issue.

*Stage 2*- If the customer is not satisfied with the response received by the Service Area, the Complaints Team will appoint a Senior Manager to take ownership of investigating and resolving the complaint.

The Council have a 10 working day response target for stage 1 complaints, and a 20 working day response target for stage 2 complaints. The performance target for each stage is 85%.

The percentage of complaints responded to within their target across the current financial year is at 58.2%, significantly lower than the 85% performance target and also lower than the 74.8% which was achieved across 2016/17. The Customer Complaints Officer advised that CMT are aware of the issue, and actions are being implemented to seek to improve the figure, including provision of additional training to Service Areas to enable them to deal with complaints more effectively, as well as the requirement for regular reports to be provided to Directorate Management Teams to ensure that performance against complaints is monitored on a frequent basis.

### 1.5 Finding and Impact

#### **Benchmarking**

Benchmarking was undertaken across SWAP's Partners, which showed that the Council has a greater level of maturity with regards to their ethics and culture than each of the SWAP Partners involved in the benchmarking. Common failings found across other Local Council bodies included having a lack of mechanisms in place to remind staff of the vision and values of the Council at any point other than during the induction process, therefore increasing the likelihood that they will not play a major part in the role of employees. The Council has shown that they have successfully engrained their vision and values into the work environment, therefore their approach to ethics and

culture and the benefits it can have towards empowering staff during times of organisational change should be praised.

# Audit Framework and Definitions

## Assurance Definitions

<b>None</b>	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Partial</b>	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Reasonable</b>	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Substantial</b>	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

## Definition of Corporate Risks

Risk	Reporting Implications
<b>High</b>	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
<b>Medium</b>	Issues which should be addressed by management in their areas of responsibility.
<b>Low</b>	Issues of a minor nature or best practice where some improvement can be made.

## Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

<b>Priority 5</b>	Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
<b>Priority 4</b>	Important findings that need to be resolved by management.
<b>Priority 3</b>	The accuracy of records is at risk and requires attention.

*Priority 2 and 1 Actions will normally be reported verbally to the Service Manager.*

# Support and Distribution

## Report Authors

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## Support

We would like to record our thanks to the following individuals who supported and helped us in the delivery of this audit review:

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Reuben Bergman, Head of HR  
Debbie Marles, Monitoring Officer  
Eira Carroll, Customer Complaints Officer  
The Charter Champions

## Distribution List

This report has been distributed to the following individuals:

Rob Thomas, Managing Director

## Working in Partnership with

Cheltenham Borough Council	Sedgemoor District Council
Cotswold District Council	Somerset County Council
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Dorset Police & OPCC	West Dorset District Council
East Devon District Council	West Oxfordshire District Council
Forest of Dean District Council	West Somerset Council
Herefordshire Council	Weymouth and Portland Borough Council
Mendip District Council	Wiltshire Council
North Dorset District Council	Wiltshire Police & OPCC
Powys County Council	

# Statement of Responsibility

## Conformance with Professional Standards

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Auditing Standards.

## SWAP Responsibility

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.