

## Setting high ethical standards

### Metropolitan Police Authority

#### ACTION PLAN

<b>Reference:</b>	4. ethical standards - action plan.doc – Draft Version 1
<b>Date:</b>	February 2004

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	<b>Title</b>					
	<b>STANDARDS COMMITTEE</b>					
	R1 Extend the Standards' Committee terms of reference to recent regulations regarding referrals from the Standards Board of England.	2				
	<b>CODE OF CONDUCT</b>					
	R2 Consider how responsibilities under equalities and diversities can be integrated with conduct issue to ensure Members have a full understanding of all their responsibilities.	2				
	R3 Undertake an assessment of standards of conduct at the MPA so that an appropriate programme of activity can be developed.	3				
	R4 Include training about ethics and conduct in the induction for new Members in June 2004.	3				
	R5 Ensure information about the standards committee and the code of conduct is shared with employees of the MPA when the Member/Officer protocol is implemented.	3				

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	<b>Title</b>					
	R6 Consider how the proactive role of the standards committee can be developed.	3				
	R7 Promote the code of conduct with stakeholders.	2				
	<b>INVESTIGATIONS</b>					
	R8 Ensure all members of the MPA receive a briefing on the implications of the new regulations regarding referrals from the Standards Board for England.	2				
	<b>MONITORING OFFICER</b>					
	R9 Ensure the monitoring officer supports the proactive role of the standards committee.	2				
	R10 Consider the role of the monitoring officer in carrying out investigations into breaches of the code of conduct.	2				

Setting high ethical standards

## **Metropolitan Police Authority**

### INSIDE THIS REPORT

#### PAGE

#### **Executive Summary**

- Introduction
- Scope and Objectives
- Audit Approach
- Main Conclusions
- The Way Forward

#### PAGE

- Diagnostic Findings

#### Appendices

Put client logo in here

<b>Reference:</b>	MPA Ethics diagnostic
<b>Date:</b>	February 2004

## Introduction

There is an increased emphasis on member standards and of good conduct in public life. The regulation of member interests, the findings of the Nolan Report, the introduction of the Local Government Act 2000 and the recently established Standards Board for England are all factors in the current emphasis on strong ethical governance arrangements within the public sector.

Because of this, police authorities and individual Members face a number of risks which include:

- investigation by the Standards Board for alleged breaches of the Code
- increasing numbers of allegations of breaches to the Standards Board
- potential litigation and costs of defending a challenge
- member disqualifications
- financial loss because of unethical behaviour.

More difficult to assess, but of greater risk to a police authority's business, is the reputational risk of being found guilty of a breach of the Code and the consequent difficulties of having to implement wide spread changes whilst under the spotlight. This year a Welsh local authority failed to ensure that members signed up to the Code within the required time limits, which put the members at risk of disqualification (although in that particular case they weren't disqualified).

High ethical standards are a cornerstone of good governance. One of the common aspects of governance failures is not the absence of frameworks, controls and arrangements, but the absence of appropriate behaviours and values amongst Members and officers.

Setting high ethical standards is an important building block for authorities who want to develop their community leadership role. It is important also to remember that as authorities become involved in increasingly complex partnership arrangements, not only is maintaining high standards crucial to maintaining effective partnerships, but if problems were to occur, they are likely to be exacerbated by the partnership structures.

## Scope and objectives

The aim of this project is to help you assess whether you:

- are complying with Part III of the Local Government Act 2000
- have an understanding/awareness of ethical issues
- are aware of your training needs with regard to Part III of the Act.

The work is aimed predominantly at Members.

## Audit approach

In order to complete the project we have:

- undertaken a document review
- interviewed key Members and officers
- observed a standards committee
- carried out a survey of Members of the Police Authority to test understanding.

In order to complete the project, it has been agreed that we will undertake workshops with members aimed at stimulating discussion about ethical standards and helping develop an understanding of some of the wider issues. It has been agreed that this will take place after the Elections in May 2004 as part of the induction programme.

## Main conclusions

The MPA has established a standards committee in line with the requirements of the Local Government Act 2000. External independent Members were appointed following an open and transparent appointments process. All Members have signed up to the code of conduct and a register of interests has been established.

The standards committee meets reasonably regularly and has full agendas when it does. However, activity in respect of raising standards and promoting good conduct has to date been confined to this committee. The challenge now is to ensure that this is shared with Members across the authority, and employees of the Authority. There is a commitment to undertake a baseline assessment of standards and understanding, and it is important that this happens so that resources can be focused on addressing the areas of greatest need. The forthcoming GLA elections and possible appointment of new independent Members to the Authority provides the committee with an opportunity to ensuring Members are giving a good grounding in the issues through the Members' induction process.

Some consideration has been given to how the Committee should approach any investigations referred to it by the Standards Board. This is positive, but it is important that formal procedures are introduced, and that the terms of reference of the committee is expanded to include this. Consideration also needs to be given to the role of the monitoring officer in any investigation so that potential conflicts of interest are avoided.

## The way forward

This report will be agreed with officers and presented to the Standards Committee on 27<sup>th</sup> February 2004.

### Status of our reports to the Authority

*Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to Members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.*

## Diagnostic findings

Issue	Findings/Compliant?	Conclusions	Recommendations
Is there an established Standards Committee?	A standards committee has been established as part of the committee structure for the MPA.	The MPA has met the requirement to establish a Standards Committee.	
Does the membership comply with the legislation?	<p>The membership consists of four MPA members and two external* members. The Chair of the MPA does not sit on the Standards Committee. There is no executive structure (as per LGA2000).</p> <p>*NB – 'external' member is used throughout instead of independent member, in order to distinguish from the Independent Members of the MPA (i.e. non-GLA members).</p>	Membership is compliant with the legislation.	
How were external members appointed?	External members were appointed after transparent appointments process. Adverts were placed in placed in London papers jointly with the GLA and the LEEPA. Between sixty and seventy applications were received. A formal interview panel (consisting of MPA members) was organised and two members were appointed.	A transparent and open process was used to appoint the external Members to the Committee, in line with good practice.	

Issue	Findings/Compliant?	Conclusions	Recommendations
Who chairs the Standards Committee?	The committee is chaired by a magistrate member of the MPA.	The chairing arrangements meet the requirements of the legislation.	
<p>Does the terms of reference for the Standards Committee include:</p> <ul style="list-style-type: none"> <li>• advising on the adoption of a local code which sets out the standards of conduct expected from members</li> <li>• promoting and maintaining high standards of conduct within the Authority through assistance, advice and training</li> <li>• monitoring the operation of the local code</li> </ul>	<p>The terms of reference for the standards committee include:</p> <ul style="list-style-type: none"> <li>• to promote and maintain high standards of conduct by members of the authority</li> <li>• to advise the authority on the adoption or revision of its code</li> <li>• to monitor the operation of the code</li> <li>• to assist members in observing the code of conduct including arrangements for training on matters relating to the code of conduct</li> <li>• monitor and advise the authority on compliance with the requirements for registration of interests and gifts and hospitality</li> <li>• to advise the authority on liaison arrangements with the Standards Board for England and to consider reports from the Standards Board or the Monitoring Officer</li> <li>• grant dispensations to members in certain circumstances</li> <li>• to have due regard to the Authority's responsibilities in relation to RRAA, EOA and any other equalities legislation.</li> </ul>	<p>The terms of reference reflect the legislation and guidance, although these could be extended to include dealing with investigations referred by the Standards Board.</p>	<p>R1 Extend the standards' committee terms of reference to include reference to recent regulations regarding referrals from the Standards Board.</p>



Issue	Findings/Compliant?	Conclusions	Recommendations
Cont....	The terms of reference do not specifically include dealing with investigations referred from the SBE.		
Have the terms of reference for this committee been submitted to the Standards Board?	The terms of reference have been submitted to the Standards Board.	This requirement has been met.	

**Members Code of Conduct – compliance**

**The Model Code of conduct sets out the minimum standards of conduct that members must observe.**

**The local code of conduct must include all the compulsory provisions of the model code. There are two key provisions:**

- **Members should not do any thing which brings the Authority into disrepute**
- **Members should not misuse their official position to their own advantage or to the (dis)advantage of others.**

**The Model code was laid before Parliament on 5 November 2001. All local authorities including police authorities were required to adopt the code within 6 months of this date (5<sup>th</sup> May 2002). If an authority has not adopted the code, the model code will automatically apply. However, all authorities must adopt the codes for themselves. All members and co-opted Members must sign up to the code within 2 months of it being adopted by their authority, or of their appointment to the authority. Failure to do so may result in Members being disqualified.**

Issue	Findings/Compliant?	Conclusions	Recommendations
Has the Authority adopted the Members Code of Conduct locally?	The code was been adopted by the MPA in May 2002.	This requirement has been met.	
Have all Members signed up to the Code?	All Members have signed up to the code, including the external Members of the Standards Committee and the co-opted Members of the Equal Opportunities and Diversity Board and the Consultation Committee.	This requirement has been met.	
Has the Member code of conduct been tailored to local circumstances?	The MPA code has not been tailored to local circumstances.	In line with good practice, the MPA has not tailored the model code of conduct to fit local circumstances. The Standards Board for England supports this decision, as it means that MPA Members are upholding national rather than local standards.	

Issue	Findings/Compliant?	Conclusions	Recommendations
<p>Does the local code place a positive duty on Members to:</p> <ul style="list-style-type: none"> <li>• promote equality by not discriminating against others</li> <li>• respect confidential information</li> <li>• listen to the advice of the Authority’s monitoring officer and chief finance officer where it relates to possible illegal decisions about spending</li> <li>• inform the Standards Board if they reasonably believe another Member has broken the code.</li> </ul>	<p>These requirements are met in paras 2, 3, 6 and 4 respectively.</p>	<p>The code of conduct complies with regulations.</p>	
<p>Has the Authority started to integrate this code into their diversity policies/schemes, their obligations under the DDA and the RRAA?</p>	<p>No action has been taken in respect of integrating the code in to other policies and schemes. However the terms of reference of the standards committee, as with all committees at the MPA, must have due regard to equal opportunity, and to the general duties of the RRAA 2000.</p>	<p>There is no duty for authorities to integrate their codes in to diversity policies and schemes. However, we consider it good practice as it provides Members with a single source of guidance and ensures issues are not seen in isolation.</p>	<p>R2 Consider how responsibilities under equalities and diversities can be integrated with conduct issues to ensure Members have a full understanding of all their responsibilities.</p>

Issue	Findings/Compliant?	Conclusions	Recommendations
Has the Authority made the linkages between the Human Rights Act, the Freedom of Information Act and the Code of Conduct?	These links have not been made.	As with diversity, RRAA and the DDA, making these links would support Member understanding of the linkages between the different legislation and their roles and responsibilities.	
Has the Authority ensured that copies of the Code are available at an office of the Authority for inspection by the public at all reasonable hours?	The code is made available via the website which is available 24 hours a day. Copies can be posted on request.	The MPA has ensured that copies of the code are available.	
Has the Authority publicised through at least one local newspaper that the code has been adopted and that it is available for inspection (including the address of the office)?	The Authority did not publicise through any local papers that it had adopted the code nor did it issue a press release.	This was a requirement under section 51 of the Local Government Act 2000. The Authority failed to meet this requirement.	
Has the Authority sent a copy of its Code to the Standards Board?	A copy of the code was submitted to the Standards Board in May 2002.	This requirement has been met.	
Has the Standards Committee undertaken an assessment of the standards of conduct within the Authority?	The standards committee has not undertaken a baseline assessment of the standards within the MPA. There is an understanding that this is a gap and a commitment to undertake some work to identify what good standards of conduct should look like.	This is a significant gap in the working of the committee. In order for the Committee to undertake the proactive requirements of its role, it is important that an assessment is taken in order to understand what training requirements exist, and in order to appropriately focus resources. We recommend that this is addressed by the Committee to take account of the new intake of Members in June 2004.	R3 Undertake an assessment of standards of conduct at the MPA so that an appropriate programme of activity can be developed.

Issue	Findings/Compliant?	Conclusions	Recommendations
Has the Standards Committee given consideration to how it might use internal and external auditors, or committee administration to promote higher ethical standards across the Authority?	No. Much of the work undertaken by auditors (both internal and external) is reported to the Audit Panel. However, appropriate recommendations would be referred to the committee if necessary.	Appropriate arrangements are in place.	
What mechanisms does the Standards Committee have in place to publicise guidance / case rulings published by the Standards Board?	These are generally discussed at Standards Committees and the agendas and minutes are sent to all members. All standards board publications are send to members.	Appropriate arrangements are in place.	
Have all Members received adequate training about the new requirements?	There has been no formal training for members with regards to ethical standards and the requirements of part 3 of the Local Government Act 2000.	The election in May 2004 provides the Standards Committee the opportunity to ensure that all Members receive training in the requirements of the Act.	R4 Include training about ethics and conduct in the induction for new Members in June 2004.
Does the Standards Committee have mechanism in place to promote high standards ethical behaviour amongst Members?	There are no formal processes in place for the standard committee to promote high standards of ethical behaviour amongst Members apart from the mechanisms identified above for publicising guidance and rulings.	Without formal processes it is not clear how the committee is fulfilling its duty to promote high standards of behaviour.	See recommendation below.

Issue	Findings/Compliant?	Conclusions	Recommendations
Have all employees received adequate training?	There is no evidence that employees of the MPA have been given any training on this issue. Interviews carried out for this audit suggest that while standards of conduct are generally satisfactory, there are some concerns about the Member – officer interface. In line with good practice, the Authority has drafted a Member/Officer protocol which should be implemented in Spring 2004.	Employees have not received training about the code. The implementation of the Officer/Member protocol provides an opportunity to ensure that this happens.	R5 Ensure information about the standards committee and the code of conduct is shared with employees of the MPA when the Member/Officer protocol is implemented.
Does the standards committee play a proactive role in communicating the themes of the code of conduct to all Members?	Taking a proactive role communicating the themes of the code of conduct and more generally high standards of ethical behaviour is a key activity in the Committee's terms of reference. The committee has shared guidance and publications etc with colleagues across the Authority but it has not undertaken any training or a baseline assessment of standards. Both officers and members recognise this is a gap. Interviews carried out for this audit indicate that standards of conduct are satisfactory.	The standards committee could take a more proactive role in communicating themes of the code to members of the authority.	R6 Consider how the proactive role of the standards committee can be developed.
Does the standards committee proactively communicate themes of the code of conduct to its external stakeholders/partners/clients/communities?	No action has been to do this.	This is a gap in the Committee's activity.	R7 Promote the code of conduct with stakeholders.

Issue	Findings/Compliant?	Conclusions	Recommendations
<b>INVESTIGATIONS</b>			
Has the Standards Committee given any consideration to how it will carry out investigations, should it receive a referral back from the Standards Board	The Standards Committee received training on the new regulations and the implications for them as a committee and as an authority at their most recent meeting (Nov 2003). However, this has not been taken further to date.	It is positive that the Committee has started to consider how it will carry out investigations. The next step should be to ensure that remaining Members of the authority are appropriately briefed.	R8 Ensure all members of the MPA receive a briefing on the implications of the new regulations regarding referrals from the Standards Board for England.
<b>INTERESTS</b>			
Has a register of interests been set up?	A register of interest has been established. It is held by the Monitoring Officer.	This requirement has been met.	
Is the register open to public scrutiny and easily accessible (e.g. through a website)?	The MPA have agreed that due to the sensitive information held on the register e.g. the home addresses of magistrates Members, it should not be made available on the authority's website. However, it is open to public scrutiny and a typed copy will be provided on request.	This requirement has been met.	
Has a public register for gifts and hospitality been set up?	A hospitality register has been established and has been reviewed by the external auditors. A recommendation was made to require Members to register gifts that were offered but not received. This recommendation has not been fully implemented. Members are asked but not obliged to. In practice, some do – although it is not easy to gauge how many don't.	This requirement has been met.	

Issue	Findings/Compliant?	Conclusions	Recommendations
<p>Do Members understand the difference between personal and prejudicial interests – how is this communicated to them?</p> <p>How rigorously are declarations of interest applied and monitored?</p> <p>Have there been any allegations of impropriety with regard to the declaration of interests?</p>	<p>Requests are sent out regularly reminding Members of their obligations regarding the need to declare interests. The register is monitored by the Monitoring officer. The questionnaire analysis suggests that Members understand the difference between personal and prejudicial interests.</p> <p>There have been some declarations of interest (although not many) and there have been no allegations of impropriety.</p>	<p>There is an understanding of the difference between personal and prejudicial interests within the MPA.</p>	
<p>Is it clear whether a dispensation can be sought, allowing them to take part in meetings where they have a prejudicial interest.</p>	<p>The Standards Committee can grant dispensation when 50% or more of Members are unable to participate in the business of the Authority, or if the Authority is unable to comply with any duty that applies to it under s15(4) of the Local Government and Housing Act 1989. This has never been exercised at the MPA.</p>	<p>This requirement has been met.</p>	
Issue	Findings/Compliant?	Conclusions	Recommendations
<p><b>Monitoring officer</b></p>			
<p>How proactive the Monitoring Officer about ensuring members comply with the code?</p>	<p>There has been very little activity with regard to the proactive promotion of the code of conduct. However, interviews carried out as part of this review indicate that standards of conduct are generally satisfactory.</p>	<p>As highlighted above the Standards Committee has undertaken very little in the way of proactive promotion of the code of conduct. The monitoring officer could do more with the committee to ensure that this requirement is met.</p>	<p>R9 Ensure the monitoring officer supports the proactive role of the standards committee.</p>



Issue	Findings/Compliant?	Conclusions	Recommendations
<p>Has the Monitoring Officer complied with the duty to set up and maintain:</p> <ul style="list-style-type: none"> <li>• the register of interests</li> <li>• the register of gifts and hospitality?</li> </ul>	<p>As discussed above, these requirements have been met.</p>	<p>This requirement has been met.</p>	
<p>Has any thought been given to the role of the monitoring officer in investigations?</p>	<p>Although the regulations have now been published and Members of the Standards Committee have received preliminary training, little thought has been given to how this could be addressed. The MPA is in the fortunate position of having resources to draw on e.g. the Clerk or the Head of Secretariat.</p>	<p>Although there is no formal procedure in place for dealing with investigations, consideration has been given to the options open to the Authority. It is possible that the monitoring officer could experience a conflict of interest during the course of an investigation. When formal procedures are decided upon, the role of the monitoring officer should be considered.</p>	<p>R10 Consider the role of the monitoring officer in carrying out investigations into breaches of the code of conduct.</p>

