

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by Executive Director of Corporate Services**

**Audit and Performance Review Committee: 11 June 2014**

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### **Subject: Code of Good Governance**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise Committee of the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance.

#### **2. Recommendations**

- 2.1** The Committee is asked to note:

- the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance; and
- the issues identified and improvement actions.

#### **3. Background**

- 3.1** In 2004, the Independent Commission on Good Governance in Public Services published a set of common principles that it wanted all public sector organisations to adopt. The Commission, set up by CIPFA in conjunction with the office for Public Management, advised that there should be a common governance standard for public services similar to the private sector's Combined Code.

- 3.2** The Good Governance Standard for Public Services builds on the Nolan principles for the conduct of individuals in public life by setting out six core principles that it says should underpin the governance arrangements of all bodies:

- a clear definition of the body's purpose and desired outcomes;
- well-defined functions and responsibilities;
- an appropriate corporate culture;
- transparent decision making;
- a strong governance team; and
- real accountability to stakeholders.

- 3.3** For the purposes of developing *Delivering Good Governance in Local Government*, the six core principles from the good *Governance Standard for Public Services* have been adapted for the local authority context.

- 3.4 In order to demonstrate a commitment to sound governance, local authorities are encouraged to publish a governance statement.
- 3.5 The annual governance statement is the formal statement that recognises, records and publishes a Council's governance arrangements as defined in the CIPFA/SOLACE Framework. The statement requires to be signed off by the most senior officer [Chief Executive] and the most senior member [Council Leader]. Clearly the signatories must be satisfied that the document is supported by reliable evidence.

#### **4. Main Issues**

- 4.1 A local code was developed for West Dunbartonshire Council and agreed at the Audit and Performance Review Committee on 10 November 2010. This described the expectations as to what good governance is and how it can be evidenced.
- 4.2 A Governance Report was produced and provided for the first time within the Council's annual accounts for 2012/13 and this practice is continuing for 2013/14. In order to prepare such a report, it is necessary to undertake an annual self-evaluation of compliance against the Council's Code of Good Governance.
- 4.3 An annual self-evaluation review for 2014/14 has recently been carried out by a group of Officers. This has identified that current practice is mainly compliant against our Code of Governance, while identifying some areas for improvement. These areas for improvement are detailed on the attached Appendix along with information on progress in addressing the improvement actions previously identified from carrying out the 2012/13 review.

#### **5. People Implications**

- 5.1 There are no personnel issues.

#### **6. Financial Implications**

- 6.1 There are no financial implications.

#### **7. Risk Analysis**

- 7.1 There is a risk that a failure to maintain a local code and develop a framework to support the gathering and updating of the necessary evidence will leave West Dunbartonshire Council unable to produce a Governance Statement.

#### **8. Equalities Impact Assessment (EIA)**

- 8.1 There are no issues identified.

## **9. Consultation**

- 9.1** This report has been subject to a check by Legal, Democratic & Regulatory Services.

## **10. Strategic Assessment**

- 10.1** This report relates to all five of the Council's Strategic Priorities.

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**Angela Wilson**  
**Executive Director of Corporate Services**  
**Date: 27 May 2014**

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**Appendix:** Code of Good Governance - Improvement Action Plan

**Background Papers:** Report to Audit and Performance Review Committee  
(10 November 2010) - Local Code of Good  
Governance

Report to Audit and Performance Review Committee  
(22 May 2013) - Code of Good Governance

Report to Audit and Performance Review Committee  
(11 December 2013) - Code of Good Governance

**Wards Affected:** All Wards