

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee: 11 December 2013

Subject: Code of Good Governance

1. Purpose

- 1.1 The purpose of this report is to provide the Committee with an update on the Council's Code of Good Governance.

2. Recommendations

- 2.1 It is recommended that the Committee is asked to note the contents of this report.

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.

- 3.6** A report was submitted to the Audit and Performance Review Committee on 22 May 2013, when Members of the Committee were asked to note that a revision of the Code of Good Governance would be undertaken and reported to a future meeting of the Audit and Performance Review Committee.

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** For the first time a Governance Report was produced and provided within the Council's annual accounts for 2012/13. In order that such a report could be prepared, it was necessary to undertake a self-evaluation of compliance against the Council's Code of Good Governance. The following group of Officers met on a number of occasions to undertake the self-evaluation process.

Executive Director of Corporate Services
Head of Finance and Resources
Head of Legal, Democratic and Regulatory Services
Audit and Risk Manager

The self-evaluation process established that current practice is mainly compliant against our Code of Governance, while identifying some areas for improvement – progress on these actions is shown in the attached Appendix 1.

- 4.3** Since the self-evaluation was carried out a few months ago, a review of the code has been undertaken. Attached at Appendix 2 is a summary of the process which will be followed each year to inform the Governance Statement within the Council's Annual Accounts. This will assist Officers in identifying systems, processes and documentation that provide evidence of compliance with the code.
- 4.4** The Council's approach to Good Governance will be reviewed in three years' time.

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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Date: 14 November 2013

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Appendices: Appendix 1: Code of Governance – Improvement
Actions

Appendix 2: West Dunbartonshire Council -
Governance Process

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

Wards Affected: All Wards