

Audit and Standards Committee - 17th April 2014

Report of the Treasurer

Review of the Code of Corporate Governance

Purpose of the Report

1. To inform Members of the results of a review of the Code of Corporate Governance.
2. To ask Members to approve a revised Code of Corporate Governance.

Background

3. The Audit & Standards Committee has responsibility for corporate governance as per the Terms of Reference i.e. :-

“Determination of all necessary action associated with the Council’s Corporate Governance Arrangements.”
4. In 2001, the Chartered Institute of Public Finance and Accountancy [CIPFA] and the Society of Local Authority Chief Executives [SOLACE] produced a framework for good governance and Dudley subsequently issued its own Code of Corporate Governance based around the CIPFA/SOLACE model.
5. CIPFA/SOLACE issued a revised framework in July 2007 and the guidance stated that good governance :-
 - a. Leads to good management, performance, stewardship of public money, public engagement and, ultimately, good outcomes for citizens and service users
 - b. Enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk
 - c. Is how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner
 - d. Comprises the systems and processes, and culture and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
6. The CIPFA/SOLACE framework is supported by guidance which is formally based around six core principles of good governance as follows :-
 - a. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- b. Members and officers working together to achieve a common purpose with clearly defined functions and roles
- c. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- d. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- e. Developing the capacity and capability of members and officers to be effective
- f. Engaging with local people and other stakeholders to ensure robust accountability

For each of the six core principles, CIPFA/SOLACE issued "supporting principles".

7. CIPFA/SOLACE have periodically produced additional guidance including matters appertaining to the role of the Chief Financial Office and, in December 2012 an addendum review of their original guidance to ensure it remained 'fit for purpose', which they deemed it did. They stated that local government has been undergoing significant change and the environment in which it works is increasing in complexity. In addition to economic and financial challenge, the Localism Act and other key legislation has brought new roles and opportunities and greater flexibility for authorities.

They went on to say that local authorities are changing the way in which they operate and undertake service provision including services delivered directly, through partnerships and collaboration and through commissioning. The introduction of new structures and ways of working provide challenges for managing risk, ensuring transparency and demonstrating accountability. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with control and the management of risk. A one-size-fits-all approach to governance is inappropriate.

Finally, CIPFA/SOLACE stated that local governance arrangements must be proportionate to the risks and are acknowledged as the responsibility of each local authority in its area of operation.

8. The Code of Corporate Governance is an important part of the arrangements for corporate governance and it has been usual practice for it to be reviewed annually. The Head of Audit coordinates the review and consults with the Corporate Governance Group which is made up of senior officers from each Directorate. Consultation also takes place with the Chief Executive, Director of Corporate Resources [and Monitoring Officer], and the Treasurer.
9. The consultation concluded that the Code of Corporate Governance was still "fit for purpose". A revised Code of Corporate Governance has been drafted and is attached at Appendix A. There are minor amendments to reflect new strategies, partnership arrangements, etc. New text is highlighted in italics.

10. The "Action" referred to in the third column of Appendix A tables is dynamic and will take place throughout the year. An action plan will be prepared and shared with relevant Officers and, an update will be presented to the September meeting of the Committee.
11. In June 2012 Audit Services introduced a document called "Beating Fraud Is Everyone's Business" to help educate new staff and members on roles and responsibilities in the fight against fraud. Distribution of the document has become a standard part of the induction process. Audit Services has now drafted a similar type of document called "Good Governance Is Everyone's Business" which is aimed at managers and members. A copy is attached at Appendix B.

Finance

12. There are no direct financial implications arising from this report.

Law

14. There is no statutory requirement for the Council to produce a Code of Corporate Governance.
15. The Accounts & Audit Regulations 2011 require the Council to produce an Annual Governance Statement which has to be published.

Equality Impact

16. The adoption of a Code of Corporate Governance is one part of the Councils commitment to fair treatment for all.
17. Children and young people were not consulted on, or involved, with the preparation of this report.

Recommendation

18. That members note the content of this report and approve the revised Code of Corporate Governance.
19. That members authorise the Director of Corporate Resources to take the necessary action to incorporate the revised Code into the Constitution.
20. That members approve the publication "Good Governance Is Everyone's Business".



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Treasurer

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Draft

Code of Corporate Governance

**To be approved by Audit & Standards
Committee
April 2014**

Introduction

A framework for good governance was produced by CIPFA /SOLACE in 2007 based around the Cadbury and Nolan Reports. Dudley has issued its own Code of Corporate Governance based around the CIPFA/SOLACE model.

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities.

The guidance notes to the framework states that local government has been subject to continued reform to improve accountability and engagement and that given the change in financing, service delivery and community engagement a strong governance framework will be needed.

The guidance states that:

“Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.”

“Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.”

“It comprises the systems and processes, and culture and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.”

The governance framework is based around six core principles of good governance drawn up by the Independent Commission on Good Governance in Public Services which was established by CIPFA and the Office for Public Management in partnership with the Joseph Rowntree Foundation.

The six core principles are as follows :-

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

5. Developing the capacity and capability of members and officers to be effective
6. Engaging with local people and other stakeholders to ensure robust accountability

For each of the six core principles, CIPFA/SOLACE have issued “supporting principles” together with examples of how any local code of governance should reflect each core principle. Detailed below is a suggested revised draft for our Code of Corporate Governance.

CIPFA/SOLACE guidance also includes the completion of the Annual Governance Statement (AGS), which requires the consideration of:

- a. Scope of responsibility
- b. Purpose of the governance framework
- c. Governance framework
- d. Review of effectiveness
- e. Significant governance issues

CIPFA envisage that work on the governance statement will be co-ordinated by a designated working group of the authority, which would report its findings to the designated committee of the authority. In Dudley we have established a Corporate Governance Group which will assist in co-ordinating evidence gathering and production of the AGS before it is submitted to the Audit & Standards Committee for approval. Audit Services are also developing an assurance mapping framework to assist in the review of governance arrangements.

In December 2012 CIPFA/SOLACE reviewed the Framework to ensure it remains ‘fit for purpose’, and they issued a revised guidance note. They stated that local government has been undergoing significant change and the environment in which it works is increasing in complexity. In addition to economic and financial challenge, the Localism Act and other key legislation has brought new roles and opportunities and greater flexibility for authorities.

They went on to say that local authorities are changing the way in which they operate and undertake service provision including services delivered directly, through partnerships and collaboration and through commissioning. Shared services and partnership boards have come into existence. The introduction of new structures and ways of working provide challenges for managing risk, ensuring transparency and demonstrating accountability.

Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with control and the management of risk. A one-size-fits-all approach to governance is inappropriate. Local governance arrangements must be proportionate to the risks and are acknowledged as the responsibility of each local authority in its area of operation.

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</p>	<p><i>The Community Collaboration Framework is being developed in conjunction with DCVS to facilitate the local partnership approach and vision for Dudley.</i></p> <p><i>The partnership landscape in the Borough has changed in the last 12 months as the Dudley Community Partnership ceased. However, robust partnership working takes place, for example the Health and Well-being Board. The core of the partnership work around Health, Crime, Regeneration and Children and Young People is informed by a shared needs assessment, owned by the partnership and used to prioritise action. Also, the Council Partnership Evaluation Tool needs to be reviewed and applied during 2014 to assess how appropriate it remains for the new partnership landscape.</i></p> <p><i>During 2013/14 the Council has worked with Health Partners to successfully deliver public health functions of the Authority.</i></p> <p>A first Joint Health and Well Being Strategy has been developed by partners on the Dudley Health and Wellbeing Board</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance</p>	<p>Publish an annual Statement of Accounts and simple summary document on the Internet demonstrating the Authority's financial position and performance.</p> <p>Publish the Council Plan on the Internet.</p> <p>Publish quarterly and annual performance reports which are subject to review by Members on the Internet.</p> <p>Publish annual report and account on adult social care services, which provides an assessment of how council has performed as a provider and commissioner of adult social care as well as identifying areas for further focus.</p>
<p>Ensuring that users receive a high quality service whether directly, or in a partnership, or by commissioning</p>	<p>Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</p>	<p>Improved Corporate Performance Management system, which will continue to be monitored by, the Corporate Management, Efficiency and Effectiveness Scrutiny Committee, Corporate Board & Cabinet each quarter. Each Directorate will set, and monitor, quality service measures as part of the Corporate Strategic Planning framework.</p> <p>Engage with the Health and Wellbeing Board and Safe and Sound Partnership on performance matters.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Put in place effective arrangements to identify and deal with failure in service delivery</p>	<p><i>Determine future partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result and develop framework for new strategic partnerships and performance management .</i></p> <p><i>Actively challenging unacceptable performance within the quarterly Corporate Performance Management system. New member review arrangements have been put in place with the establishment of the corporate performance management, effectiveness and efficiency committee.</i></p> <p>Facilitate a revised Corporate Complaints system for the public to identify failures in service as part of a wider facility for the public to engage with the Council to express feedback, issues or ideas in the context of their community rights. The proposals were scrutinised and approved through the Corporate Performance Management Efficiency and Effectiveness Committee in February 2014.</p> <p>Provide a statutory complaints service for adult and children’s social care services.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money</p>	<p>Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.</p>	<p>Corporate Board and Cabinet determining budget requirements within available resources.</p> <p><i>Corporate Transformation Group established with agreed terms of reference, this is now subject to review to respond to the revised transformation agenda being developed by the Authority. At a strategic level the Assistant Directors meet with Corporate Board monthly to drive forward transformation, with particular focus on resources</i></p> <p>Corporate Performance Management system to facilitate data, which is monitored by Corporate Board & Cabinet each quarter.</p> <p><i>Corporate Information Quality Assurance Group established who report directly to Information Governance Board.</i></p> <p>Publish expenditure over £500 and other data in accordance with government guidance on transparency.</p> <p>Regular financial monitoring reports to Cabinet and Council to assist in decision making and effective stewardship of public funds.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Measure the environmental impact of policies, plans and decisions</p>	<p>Constitution sets out Financial Management Regime, which includes Standing Orders and Financial Regulations.</p> <p>Ensure we comply with CIPFA Prudential Code for Capital Finance and report to Members as required.</p> <p>Adopted CIPFA Code of Practice for Treasury Management as integral part of Treasury Strategy, which is approved by Members.</p> <p><i>The Corporate Reporting template requires consideration of environmental and sustainability factors</i></p> <p><i>Corporate Board agreed to set up a Corporate Energy Management function which will establish a programme of work to improve council's energy & environmental performance on sustainable development. The Councils intranet site has a section on policies and guidance with regard to project delivery and sustainable outcomes.</i></p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard</p>	<p>Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required</p> <p>Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management</p> <p>Develop protocols to ensure that the Leader and Chief Executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</p>	<p>Constitution and Scheme of Delegation are reviewed at least annually or as necessary. Constitution has been reviewed in the context of the Localism Act.</p> <p>Specify within the Constitution the role of Chief Executive (Head of Paid Service) and his designation as a Director of the organisation. Chief Executive will chair Corporate Board which includes all Directors and Treasurer.</p> <p>Publish Protocol on Member/Officer Relations within the Constitution</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</p> <p>Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</p>	<p>Specify within the Constitution the role of the Treasurer. Ensure responsibilities are in line with CIPFA Statement on the Role of Chief Financial Officer.</p> <p>Ensure that Treasurer is accountable for all finance staff throughout the organisation, thus promoting safeguarding of public money.</p> <p>Ensure that appropriate management accounting systems, functions and controls are in place to keep finances under regular review. Proper standards of behaviour are set out within Standing Orders and Financial Regulations. These are monitored by Internal Audit and reported upon as part of Audit Work</p> <p>Ensure that the Treasurer is designated as a Corporate Board member.</p> <p>Ensure budget calculations are robust and reserves adequate and reported to Members in line with CIPFA requirements.</p> <p>Specify the role of Monitoring Officer within the Constitution and ensure responsibility areas highlighted are included. Ensure that the Monitoring Officer is designated as a Director of the organisation.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other</p>	<p>Develop protocols to ensure effective communication between members and officers in their respective roles</p> <p>Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)</p> <p>Ensure that effective mechanisms exist to monitor service delivery</p>	<p>Protocol on Members/Officers Relations published within the Constitution.</p> <p><i>The Council needs to revisit the Partnership working framework to ensure that it remains relevant to the changed partnership landscape, and developments which have occurred since its production, for example the Localism Act.</i></p> <p>Publish within the Constitution Members Allowance Scheme. Utilise an independent panel for implementing changes to Members' Allowances.</p> <p>Use national terms, conditions and pay rates for Officers. Implementing pay review as approved by Unions and Members.</p> <p>Corporate performance management framework in place used to monitor service performance and delivery.</p> <p><i>Developing framework to engage with the Health and Well-being Board on framework for performance matters. This is reflected within the development of Spectrum the Council Performance Management system as well as "All about Dudley", the Local Information System which provides wider demographic and outcome data.</i></p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>	<p><i>Work has taken place during 2013/14 with a range of partnerships e.g. Health and Well Being and Safe and Sound to review and develop partnership performance management framework, this needs to be extended across wider partnerships during 2014.</i></p> <p><i>The 2014-2017 Community Engagement Strategy, framework and action plan will ensure widespread consultation and engagement takes place appropriate to the issue and the need to undertake it.</i></p> <p>Publish the Council Plan on the internet.</p> <p>Annual review of Council Plan and publish on the internet. The 2013-16 review of the Council Plan to set out the medium term future relationship between the Council & Dudley Residents.</p> <p>Medium Term Financial Strategy in place and reported to Members. Robust annual budget process in place reported and approved by Members. Financial Monitoring reports taken to Members.</p> <p><i>Publish Community Engagement Database to allow more effective engagement. A corporate review of Community Engagement has been undertaken through the TORCh programme during 2013/14 and the action plan implemented during 2014.</i></p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>When working in partnership ensure that member are clear about their roles an responsibilities both individually and collectively in relation to the partnership and to the authority</p> <p>When working in partnership :-</p> <ul style="list-style-type: none"> a. Ensure that there is clarity about the legal status of the partnership b. Ensure that representative or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions 	<p><i>Develop a partnership framework to include guidance on working in partnerships. This is being developed to incorporate aspects within Localism Act and statutory body status of the Health and Wellbeing Board.</i></p> <p>External legal advice obtained concerning the creation and operation of key partnerships concerning roles and responsibilities. This will be undertaken for any future key partnership arrangements.</p>

CORE PRINCIPLE 3 : Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p>	<p>Ensure that the authority’s leadership sets a tone for the organisation by creating a climate of openness, support and respect</p> <p>Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols</p>	<p>Require adherence to Members and Officer Codes of Conduct. Members Code of Conduct has been reviewed to reflect Localism Act.</p> <p>Publish Protocol on Member/Officer Relations.</p> <p>Require the adherence to Member and Officer Codes of Conduct. Protocol on Member/Officer Relations published within Constitution.</p> <p><i>Develop partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result.</i></p> <p><i>The Council is investing in a new Leadership programme called Future-Engage-Deliver. This is a key component of the Council’s plans to define and develop its long term role and structure and take the organisation through toward realising its ambition.</i></p> <p>The Council has approved policies in respect of Equal Opportunities.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice</p>	<p>Proper standards of behaviour are set out within Standing Orders and Financial Regulations. These are monitored by Internal Audit and reported upon as part of Audit Work.</p> <p>Confidential Reporting Policy and Fraud hotline available to Officers, Members, Contractors & members of the public. Publish Member and Officer Codes of Conduct.</p> <p>Processes for recording Officer and Member declarations of interest and gifts and hospitality.</p>
<p>Ensuring that organisational values are put into practice and are effective</p>	<p>Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners</p> <p>Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</p>	<p>Publish Member and Officer Codes of Conduct.</p> <p>Publish an Anti Fraud & Corruption Strategy</p> <p>Embed values within the Council Plan</p> <p>A new Members' Code of Conduct introduced in accordance with the Localism Act. The new Standards Regime is administered by the Monitoring Officer; Independent Persons and the Audit and Standards Committee.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Develop and maintain an effective standards committee</p> <p>Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority</p> <p>In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.</p>	<p>Proper standards of behaviour are set out within Standing Orders and Financial Regulations, which ensure that systems and processes for financial administration, financial control and protections of resources are in place. These are monitored by Internal Audit and reported upon as part of Audit Work.</p> <p>Constitution reflects the requirements of the Localism Act including a new Members Code of Conduct and arrangements for monitoring the ethical standards and behaviour of Members and Officers.</p> <p>Publish the Constitution and various Codes of Practice.</p> <p>Protocols are in place to ensure that executive decisions indicate how they will support Council Priorities.</p> <p><i>Review the current Council partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result. This should include guidance on working in partnerships and requiring the use of a Partnership Review Tool to ensure partnerships are operating effectively and producing agreed outcomes. Whilst the benefits of partnership working are widely acknowledged DMBC will continually review partnership working to ensure it provides value for</i></p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
		<i>money for communities.</i>

CORE PRINCIPLE 4 : Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny</p>	<p>Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority’s performance overall and that of any organisation for which it is responsible</p> <p>Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</p> <p>Put in place arrangements to safeguard members and employees against conflict of interest and put in place appropriate processes to ensure that they continue to operate in practice</p>	<p>Operate Scrutiny Committees whose rules are clearly set out in the Constitution and are subject to review. Terms of reference will be considered as part of the review of the democratic framework being undertaken as part of the Localism Act.</p> <p>Operate Community Forums, which allow more local input from members of the public.</p> <p>Ensure effective internal audit function is resourced and maintained, the performance, plans, outcomes reported to Audit Committee.</p> <p>Set out decision making protocols within the Constitution</p> <p>Publish within Constitution Codes of Conduct for Members and Officers. The Constitution includes a new Members Code of Conduct and arrangements for monitoring the ethical standards and behaviour of Members and Officers, in accordance with the Localism Act.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the function of such a committee</p> <p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</p>	<p>Operate Audit & Standards Committee with terms of reference set out within the Constitution. Terms of reference will be considered as democratic framework and Constitution are reviewed to meet requirements of Localism Act.</p> <p>Evaluate the operation and effectiveness of the Audit & Standards Committee against best practice determined by CIPFA.</p> <p>Ensure Treasurer has direct access to the Audit & Standards Committee and external audit.</p> <p>Operate a Corporate Complaints system and statutory complaints system for adults and children’s social care. The Council’s website has feedback facility available to members of the public.</p>
<p>Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs</p>	<p>Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</p>	<p><i>Established Corporate Information Quality Assurance Group (IQAG) with published Data Quality Strategy and Toolkit. IQAG to report directly to Information Governance Board.</i></p> <p>Ensure accurate performance and budgetary reports provided to Members and Senior Officers.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately</p>	<p><i>Develop a partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result.; with an appropriate performance monitoring framework and review process.</i></p> <p><i>Continue to promote and develop “All About Dudley Borough” – the web-based intelligence tool designed to share corporate and partnership data and the engine behind the joint needs assessment process.</i></p> <p>Ensure the Constitution includes relevant guidance on the roles and responsibilities of the Chief Financial Officer (the Treasurer) and the Monitoring Officer. Senior Officers in attendance at all decision making meetings for advice.</p> <p>Members receive induction training and training to assist with decision making, particularly for quasi judicial committees.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Ensuring that an effective risk management system is in place</p>	<p>Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs</p> <p>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</p>	<p>Publish a Risk Management Strategy endorsed by Members.</p> <p>Provide training to Members and Officers on risk management.</p> <p>Directors sign on quarterly basis that risk management assurances are in place.</p> <p>Ensure arrangements for financial and internal control and managing risk are addressed in annual governance report.</p> <p>Publish Confidential Reporting Policy.</p> <p>Fraud hotline available to Officers, Members, Contractors & members of the public.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Using the legal powers to the full benefit of the citizens and communities in their area</p>	<p>Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</p> <p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</p> <p>Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law :-</p> <ul style="list-style-type: none"> a. Rationality, legality and natural justice b. Into their procedures and decision making processes. 	<p>Ensure the Constitution covers the question of legality and the role and responsibilities of the Monitoring Officer.</p> <p>Ensure the Constitution covers the question of legality and the role and responsibilities of the Monitoring Officer. Review of the Constitution will encompass the Localism Act requirements.</p> <p>Ensure the Constitution covers the role and responsibilities of the Monitoring Officer. The review of the Constitution encompasses the Localism Act provisions.</p> <p>Publish a Corporate Reporting Template, which includes a mandatory requirement for legal issues to be considered in each report to Members.</p>

CORE PRINCIPLE 5 : Developing the capacity and capability of members and officers to be effective

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p>	<p>Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</p> <p>Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority</p>	<p>Ensure that all new Members and Officers undergo induction training and they are offered a range of appropriate training.</p> <p>Council operates a performance review & development (PRD) scheme for all Officers. Members Development Plans scheme in place.</p> <p>Ensure the Constitution clearly sets out the requirement of the Council to provide sufficient resources for key Officers to carry out their duties.</p>
<p>Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group</p>	<p>Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</p>	<p>Ensure that political groups consider undertaking reviews of Members skills.</p> <p>Ensure that the Council operates a PRD Policy for all Officers. Member Development Plans determined.</p> <p>Members training course programme offered</p> <p>Ensure that training is available for all Members and Officers to develop their skills, with particular emphasis on quasi judicial committee members</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</p> <p>Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs</p>	<p>Provide Member and Officer Development Plans and associated training courses.</p> <p>Ensure that Cabinet Members and the Cabinet as a whole are subject to review. Developed endorsed professional programme of training for Cabinet Members</p>
<p>Encouraging new talent for membership of the authority so that best use can be made of individual's skills and resources in balancing continuity and renewal</p>	<p>Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority</p>	<p><i>The 2014-2017 Community Engagement Strategy, framework and action plan will allow for the further development of community collaboration opportunities between officers, members and communities in order to explore the potential for community-led or community-delivered services. The recently established community forums also exist to encourage wider participation in the work of the authority and local community issues.</i></p> <p>Work with local partners and stakeholders to both encourage and facilitate partnership working within the community.</p> <p>New methods being developed to engage with partners within the community</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Ensure that career structures are in place for members and officer to encourage participation and development</p>	<p><i>Review the Council's Volunteering Strategy in association with promoting the national volunteers month (June 2014)</i></p> <p>Ensure the Cabinet and Corporate Board review succession planning. Member and Officer Development Plans are developed and addressed.</p>

CORE PRINCIPLE 6 : Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships</p>	<p>Make clear to themselves, all staff and the community to whom they are accountable and for what</p> <p>Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationship and any changes required</p> <p>Produce an annual report on the activity of the scrutiny function</p>	<p>The 2013-16 review of Council Plan will set out medium term future relationship between Council and residents.</p> <p><i>Determine partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result and develop framework, which will include guidance on working in partnerships and appointments to outside bodies.</i></p> <p><i>The 2014-2017 Community Engagement Strategy, framework and action plan will allow for the further development of community collaboration opportunities and new initiatives in order to explore the potential for community-led or community-delivered services.</i></p> <p>Require the Scrutiny Committees to report annually to the full Council with details of their activities and annual work programme.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
	<p>Ensure that arrangements are in place to enable the authority to engage with all section of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands</p> <p>Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result</p> <p>On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statement as well as information about its outcome, achievements and the satisfaction of service users in the previous period</p>	<p>Use the results of consultation to influence decisions and inform choices concerning services delivered and services required by community.</p> <p><i>The 2014-2017 Community Engagement Strategy, framework and action plan will allow for the further development of community collaboration opportunities and new initiatives in order to explore the potential for community-led or community-delivered services; and also link to key objectives set out in directorate strategic plans.</i></p> <p>Publish the Council Plan on the internet.</p> <p>Publish an annual Statement of Accounts and simple summary document on the Internet.</p> <p>Publish quarterly and annual performance reports [which are subject to review by Members] on the Internet.</p>

Supporting Principles	Dudley Council commitment	Action taken by the Council
<p>Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>	<p>Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.</p> <p>Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.</p>	<p>Publish a Council Plan which sets out the Council Vision which highlights that Dudley Council will listen, respond, be accountable, provide value for money, set high standards for services, promote good governance standards and build strong collaborative partnerships.</p> <p><i>Determine partnership framework in light of decisions made by the Council regarding service delivery options and the differing types of partnerships that will develop as a result; and develop framework for new strategic partnerships and performance management .</i></p> <p>Publish a Constitution, which demonstrates the Council's commitment to an open and accessible style of operation by Members and Officers in all dealings.</p> <p>Make a commitment to regularly survey staff and ask them to contribute to strategic planning.</p>

Good governance is everyone's business



Dudley Council is committed to delivering the right services, in the right way, to the right people, in a timely, inclusive, open, honest, affordable and accountable manner.

Good governance is an essential element in the efficient running of the organisation and in achieving high levels of performance. It enables the council to pursue its vision effectively whilst managing any risks which could prevent delivery of desired outcomes.

Good governance is achieved by ensuring we have a governance framework that everyone understands. The framework will encompass a range of policies and processes which are embedded in the council and are clearly understood by all staff and members.



In “Simple Terms” we:

- Are fair to all
- Are transparent in all our dealings
- Are accountable for our actions
- Deliver value for money services
- Follow the rules
- Respect everyone with a stake in Dudley
- Maintain the highest standards of conduct



Introduction

An understanding of governance starts with six core principles:

- Focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and stakeholders to ensure robust accountability

The Code of Corporate Governance approved by the Audit & Standards Committee takes each of these principles and provides further detail on each one whilst also providing examples of how the council meets each challenge.

In addition to the Code of Corporate Governance the council has a governance framework which ensures that we can comply with the Code and deliver good governance. The framework is made up of various documents such as:

- The Council Constitution • Budgets • The Council Plan & Directorate Plans
- Human Resources Strategy • Risk Management Procedures
- Financial Regulations and Standing Orders • Information Governance • Performance Management
- Equality & Diversity Policy • Community Strategy

This is not a complete list but illustrates the depth of strategies, policies and procedures necessary to underpin the delivery of a wide range of services to the public.

The Constitution is the foundation stone on which we build the governance framework

The Constitution sets out how the council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people.

It also commits the council to provide clear leadership, support the active involvement of citizens in decision-making and ensure that decision-makers are accountable.

Purpose of the Constitution :

- To enable the council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;
- Support the active involvement of citizens in the process of local authority decision-making;
- Help councillors represent their constituents more effectively;
- Enable decisions to be taken efficiently and effectively;
- Create a powerful and effective means of holding decision-makers to public account;
- Ensure that apart from decisions taken by the full council, no one will review or scrutinise a decision in which they were directly involved;
- Ensure that those responsible for decision-making are clearly identifiable to local people and that they explain the reasons for decisions; and
- Provide a means of improving the delivery of services to the community.

Roles of members in corporate governance:

- Ensure that clear outcomes and priorities are in place;
- Ensure the right resources are in place to achieve these outcomes and priorities and these resources are used effectively
- Scrutinise and monitor the delivery of services to ensure that the council's performance expectations are achieved ;
- Ensure the way the council operates is transparent and accountable to the electorate



Roles of members outlined in the Constitution :

- Collectively be the ultimate policy-makers;
- Contribute to the good governance of the area and actively encourage community participation and citizen involvement in decision-making;
- Effectively represent the interests of their ward and of individual constituents;
- Respond to constituents' enquiries and representations, fairly and impartially;
- Participate in the governance of the council;
- Maintain the highest standards of conduct and ethics

What does good governance look like in an organisation ?

- Robust systems and processes are combined with effective leadership and high standards of behaviour;
- Leadership establishes a vision for organisations, generates clarity about strategy and objectives, roles and responsibilities, and fosters professional relationships;
- Has a culture based on honesty and openness, in which decisions and behaviours can be challenged and accountability is clear;
- Supports accountability through systems and processes, such as risk management, financial management, performance management and internal controls;
- Has an external focus on the needs of the service users and the public, reflecting diverse views in decision-making, producing greater ownership among stakeholders and maintaining clarity of purpose;
- Partners share our governance values

Transparent	
	Ethical
Open	
	Prudent
Fair	
	Accountable
Objective	
	Honest
Selfless	
	Inclusive
Accessible	

Principles of decision making in the council

- Proportionality (ie, the action must be proportionate to the desired outcome);
- Due consultation and the taking of professional advice from officers;
- Respect for human rights;
- A presumption in favour of openness;
- Clarity of aims and desired outcomes;
- An explanation of options considered; and
- Giving reasons for decisions.

YOUR actions should always adhere to the seven principles of public life, which include:

Selflessness - act solely in the public interest;

Integrity - avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence their work and decisions;

Objectivity - must act and take decisions impartially, fairly and on merit using the best evidence and without discrimination or bias;

Accountability - be accountable to the public for their decisions and actions and submit themselves to any scrutiny that is necessary;

Openness - must act and make decisions in an open and transparent manner.

Information should not be withheld from the public unless there are clear and lawful reasons for doing so;

Honesty - All should be truthful;

Leadership - Exhibit all these principles in their own behaviour and, actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

One of the ways in which the council communicates and promotes the values of good governance through upholding high standards of conduct and behaviour is through the “Code of Conduct for Employees”.

There are numerous references to conduct and behaviour and the following are a few examples :

The public is entitled to expect the highest standards of conduct from all employees of Dudley Council. It is therefore important that you understand your roles and responsibilities whilst at work. It is also important, where necessary for you to understand how your behaviour and activities outside work may impact upon your ability to do your work during work hours.

Dudley Council’s employees are expected to give the highest possible standard of service to the public and where it is part of their duties, to provide appropriate advice to elected members and fellow employees with impartiality.

In summary employees are required to :-

- Act honestly
- Act with dignity and treat all others with dignity and respect
- Be committed to delivering quality services to service users
- Understand and act in accordance with the council’s vision and values as set out in the Council Plan, policy and procedures
- Work in accordance with the terms and conditions of their principal statement of employment and job description
- Understand and apply the council’s rules policies and procedures applicable to them and their role



There is also a Members Code of Conduct in which members commit to:-

- Championing the needs of residents - the whole community, including those who did not vote for me and putting their interests first.
- Dealing with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
- Not allowing other pressures, including the financial interest of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the borough or the good governance of the council in a proper manner.
- Exercising independent judgement and not compromising my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a member or co-opted member of this council,
- Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit.
- Being accountable for my decisions and co-operating when scrutinised internally and externally, including by local residents.
- Contributing to making this council's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding me and other members to account but restricting access to information when the wider public interest or the law requires it.
- Behaving in accordance with all our legal obligations, alongside any requirements contained within this council's policies, protocols and procedures, including on the use of the council's resources.
- Valuing my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.
- Always treating people with respect, including the organisations and public I engage with and those I work alongside and not bullying any person,
- Providing leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within this council.
- Respecting the confidentiality of information received as a member by:
 - not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so; and
 - not obstructing third parties' legal rights to access information.

**For further information on anything in this booklet,
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