



Report to: Audit, Governance and Improvement Review Committee
Council

Date: 27th September 2007
31st October 2007

Subject: Local Code of Corporate Governance

Report of: Director of Finance & IT

Contact officer: David Smith 01942-827232

Purpose / summary: To ask Members to adopt a revised Local Code of Corporate Governance based on updated CIPFA/SOLACE guidance.

Alternative options considered and reason for selecting the one recommended: The adoption of the revised code and associated annual assurance procedures is based on Internal Audit recommendations and is in full accordance with CIPFA/SOLACE guidance.

Recommendation / decision: The Committee considers the report and recommends adoption of the Local Code of Corporate Governance to Council.

Risks / Implications:

Financial:	None
Staffing:	None
Policy:	Within existing policy framework
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	
Wards affected:	All

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes**

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? **Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	X		X
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
			31 st October 2007

List of Background Papers in accordance with Section 100D of the Local Government Act, 1972:

Document	Date	File Reference	Place of inspection

Proper Officer David Smith

Date 11th September 2007

1. Background

Corporate Governance is the system by which the Authority directs and controls its functions and relates to its community. This is the means by which sound and ethical practice can be assured and unacceptable practice identified and eradicated. Historically there has been a general recognition that all local authorities should be seen to meet the highest standards and governance arrangements should not only be sound but need to be seen to be sound by the public.

The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme that continues to run through Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their internal affairs and their relationships with their expanding number of key stakeholders. Together these systems comprise corporate governance.

2. Current Position

In 2001 CIPFA/SOLACE introduced a Local Government governance framework (*Corporate Governance in Local Government: A Keystone for Community Governance*). Following an Internal Audit assessment of the Council's performance against this framework, the Council adopted the framework in August 2003 as its own Local Code of Corporate Governance.

An annual review assessing the Council's Local Code against the detailed requirements of the framework is completed annually to support the Council's statutory disclosure statements (Statement on Internal Control).

In June 2007, CIPFA/SOLACE published a revised framework for corporate governance in local government entitled "*Delivering Good Governance in Local Government*". The revised framework is an interrelated assessment that brings together an underlying set of legislative requirements, governance principles, and management processes that recognises that Local Government has been subject to continued reform intended to improve local accountability and engagement. Although the revised framework covers the same main areas as the previous framework, it's emphasis has been revised in key development areas such as the Statement on Internal Control (Annual Governance statement from 2007/2008), CPA Use of Resources, CIPFA guidance on Audit Committees, authorities changing role from direct service delivery to service commissioning, and specifically the governance arrangements and risks associated with the increasing use of external organisations/partnerships to deliver the required services.

Accordingly the revised framework develops existing themes and places greater emphasis on:-

- The structure, roles and responsibilities within partnerships.
- Officers and Members skills development and performance improvement.
- Openness and accountability in decision making and scrutiny.
- Shared values in leadership, partnership and decision making.
- Consultation processes with staff and the community.
- Quality of information.
- Review of lawful activity.

3. Proposals

Following on from Internal Audit's annual review of corporate governance arrangements in May 2007, a further review has been completed reassessing the Authority's position against the revised Local Code requirements in order to demonstrate compliance and ongoing improvement and also to prepare for the compilation of this year's statement of assurance.

The revised Local Code of Corporate Governance is attached at Appendix A (columns 1 & 2 reflect the revised local code elements, column 3 the position at this latest review and the ongoing requirements to attain full compliance with the framework.

Although the structure of the revised framework is different (set around six principles), this review has presented the framework in the same format as the current local code so it is familiar, easy to follow, and assists in demonstrating compliance and improvement.

4. Conclusions

Good governance structures have enabled the Authority to pursue its vision effectively and to underpin the vision with appropriate control and risk management. These structures are subject to external assessment, the results of which figure prominently in the Authority's CPA Use of Resources and Corporate Assessment performance.

This latest review found that the Authority's position against the revised code remains excellent. The revised requirements have not highlighted any significant areas of concern or weakness. The revised code has increased focus in certain areas (role of members and partnership working). These are areas in which action is already taking place which will need to be completed to obtain full compliance with the code. A further Internal Audit compliance assessment will be undertaken at the end of the financial year to support the required assurance position and Annual Governance Statement. The revision to the Council's Local Code of Corporate Governance, based on the enhanced CIPFA/SOLACE framework will continue to demonstrate the Authority's ongoing commitment to maintaining the highest ethical standards and levels of governance.

5. Recommendations

Members are asked to:-

Support the revision of the Authority's Local Code of Corporate Governance and recommend its adoption to Council. The Local Code to sit outside of the Authority's Policy Framework.

PRINCIPLE 1

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area:

- Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users
- Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning
- Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

The function of governance is to ensure that authorities, other local government organizations or connected partnerships fulfill their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. This concept should guide all governance activity.
Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organization and to external stakeholders.

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users	<ul style="list-style-type: none"> ▪ Develop and promote the authority's purpose and vision 	<ul style="list-style-type: none"> ▪ Vision, Purpose and Values ▪ Corporate Plan ▪ Issues Paper ▪ Community Plan ▪ Local Area Agreement ▪ Service Delivery Plans ▪ "Borough Life" magazine 	<i>The Chief Executive's Department Service Delivery Plan 07/08 is due to be presented and approved by the Audit, Governance and Improvement Review Committee on 27th September.</i>
	<ul style="list-style-type: none"> ▪ Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements 	<ul style="list-style-type: none"> ▪ Community Plan 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners 	<ul style="list-style-type: none"> ▪ Financial Procedure Rules ▪ Community Leadership approach ▪ Community Safety Partnership ▪ Team Manchester ▪ Local Strategic Partnership (Wigan Borough Partnership) Terms of Reference ▪ Community Plan 	<i>Progress has been made with business continuity planning. One of the next stages is to work at the corporate level through Strategic Management team prioritising functions in a Corporate Business Continuity Plan. To facilitate this, a bespoke Management Information System is being built which will sift and sort data and prioritise functions which will need to be included in the plan. This has been delayed due to the need to reflect changes brought about by the Councils restructuring. Once the restructuring is fully embedded in the organization this process can be completed'.</i>
	<ul style="list-style-type: none"> ▪ Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance 	<ul style="list-style-type: none"> ▪ Statement of Accounts ▪ The Issues Paper ▪ Annual Audit and Inspection Letter ▪ Comprehensive Performance Assessment (CPA) ▪ Internal Audit Activities report 	<i>Fully Compliant</i>

b. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Corporate Plan 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Put in place effective arrangements to identify and deal with failure in service delivery 	<ul style="list-style-type: none"> ▪ Corporate Complaints procedure 	<i>Fully Compliant</i>
c. Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money	<ul style="list-style-type: none"> ▪ 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. Measure the environmental impact of policies, plans and decisions 	<ul style="list-style-type: none"> ▪ Annual Procurement Report ▪ CPA Use of Resources ▪ Performance Indicators ▪ Best Value General Survey 	<i>The Draft Procurement Strategy went to the Corporate Delivery Team at the end of July 2007 and will be going to Council for approval in October 2007.</i>

Reference Documents		
<p><i>Strong and Prosperous Communities, DCLG (October 2006)</i> <i>The Politics of Place, The Leadership Centre for Local Government (October 2006)</i> <i>A Councillor's Guide to performance Management (second edition), IDeA (June 2006)</i> <i>A Manager's Guide to Performance Management (second edition), IDeA, (June 2006)</i></p>		

PRINCIPLE 2

Members and officers working together to achieve a common purpose with clearly defined functions and roles:

- Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
- Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard
- Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other

The governing body of an organization has overall responsibility for directing and controlling that organization. In local government the governing body is the full council or authority. Further information on the structure and roles of the local authority governing bodies is included in the guidance notes to this Framework.

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	<ul style="list-style-type: none"> ▪ Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice ▪ Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers 	<ul style="list-style-type: none"> ▪ Council Constitution ▪ Minutes of meetings 	<i>Fully Compliant</i>
b. 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	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Council Constitution 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management 	<ul style="list-style-type: none"> ▪ Council Constitution ▪ Scheme of delegation ▪ Job description 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Job description ▪ Member/Officer protocol 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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 account, and for maintaining an effective system of internal financial control 	<ul style="list-style-type: none"> ▪ Section 151 responsibilities ▪ Accounts and Audit Regulations 2003 ▪ Statutory reports ▪ Financial Regulations ▪ Job description 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Make a senior officer (usually the 	<ul style="list-style-type: none"> ▪ Monitoring Officer Legislation 	<i>Fully Compliant</i>

	monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	(section 5 Local Government & Housing Act 1989) <ul style="list-style-type: none"> ▪ Councils Constitution 	
c. Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	<ul style="list-style-type: none"> ▪ Develop protocols to ensure effective communication between members and officers in their respective roles 	<ul style="list-style-type: none"> ▪ Member/Officer Protocol 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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) 	<ul style="list-style-type: none"> ▪ Independent Remuneration Panel ▪ Members Allowance Scheme ▪ Contract of employment ▪ National Payscales 	<i>Pay and grading strategy under review and job evaluation in progress.</i>
	<ul style="list-style-type: none"> ▪ Ensure that effective mechanisms exist to monitor service delivery 	<ul style="list-style-type: none"> ▪ Service Delivery Plans ▪ Corporate Plan ▪ EDR Process 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Ensure that the organization'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 	<ul style="list-style-type: none"> ▪ Vision, Purposes and Value ▪ Corporate Plan ▪ Community Plan 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority ▪ When working in partnership: <ul style="list-style-type: none"> - ensure that there is clarity about the legal status of the partnership - ensure that representatives of organizations both understand and make clear to all other partners the extent of their ability to bind their organization to partner decisions 	<ul style="list-style-type: none"> ▪ Financial Procedure Rules ▪ Community Leadership approach ▪ Local Strategic Partnership Terms of Reference 	<i>Fully Compliant</i>

Reference Documents	
<i>Final Report of the SOLACE Commission on Managing in a Political Environment, SOLACE (2005)</i> <i>Changing Organisational Cultures, Audit Commission (2005)</i>	

PRINCIPLE 3

<p>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour:</p> <ul style="list-style-type: none"> • Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance • Ensuring that organizational values are put into practice and are effective.
<p>Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour.</p> <p>Good governance builds on the seven principles for the conduct of people in public life that were established by the Committee on Standards in Public Life, known as the Nolan principles. In England, the Local Government Act 2000 outlined ten principles of conduct – an additional three to those identified by Nolan – for use in local government bodies. The Nolan seven principles and additional three principles are included in the guidance notes accompanying this Framework.</p> <p>A hallmark of good governance is the development of shared values, which become part of the organisation’s culture, underpinning policy and behaviour throughout the organization, from the governing body to all staff. These are in addition to compliance with legal requirements on, for example, equal opportunities and anti-discrimination.</p>

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Ensuring authority members and officer exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	<ul style="list-style-type: none"> ▪ Ensure that the authority’s leadership sets a tone for the organization by creating a climate of openness, support and respect 	<ul style="list-style-type: none"> ▪ Model Code of Conduct 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Standards Committee ▪ Members/Officers Code of Conduct ▪ Corporate Complaints procedure ▪ Anti Fraud & Corruption Strategy and Policy Statement ▪ Fraud Prosecution Policy ▪ Benefit Fraud Prosecution Policy ▪ Whistleblowing Policy ▪ IT Security policies 	<p><i>The review of the Officers Code of Conduct forms part of the Internal Audit Plan for 07/08. This will be reviewed in consultation with the Head of Personnel.</i></p> <p><i>The Fraud Prosecution Policy is to be reviewed and updated by Internal Audit.</i></p>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Members/Officers Code of Conduct ▪ Register of Members Interests ▪ Financial and Contract Procedure Rules 	<i>The Contract Procedure Rules were being reviewed and updated by a Corporate Working Group that forms part of the lead procurement officers group. An assessment is currently being made on whether the full standard Contract Procedure is relevant and can be adopted in full at the Council.</i>
b. Ensuring that organizational values are put into practice and are effective	<ul style="list-style-type: none"> ▪ Develop and maintain shared values including leadership values for both the organization and staff reflecting public expectations, and communicate these with members, staff, the community and partners 	<ul style="list-style-type: none"> ▪ Members/Officers Code of Conduct 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> ▪ Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards 	<ul style="list-style-type: none"> ▪ Members/Officers Code of Conduct 	<u>Fully Compliant</u>

	<ul style="list-style-type: none"> ▪ Develop and maintain an effective standards committee 	<ul style="list-style-type: none"> ▪ Standards Committee ▪ Regular meeting 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Golden thread 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Protocol for partnership working ▪ Code of conduct 	<p><i>Given the ongoing changes in the role and shape of the LSP and the likely impact of the new Local Government White Paper that the terms of reference and accompanying protocols for partnership working will be revised during the coming year.</i></p> <p><i>Internal Audit are to review partnership arrangements during 2007/2008.</i></p>

Reference Documents		
Standards of Conduct in English Local Government: The Future, OPDM (2005)		

PRINCIPLE 4

<p>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:</p> <ul style="list-style-type: none"> • Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny • Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs • Ensuring that an effective risk management system is in place • Using their legal powers to the full benefit of the citizens and communities in their area.
<p>Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, authority members must be well informed.</p> <p>Members making decisions need the support of appropriate systems, to help to ensure that decisions are implemented and that resources are used legally and efficiently.</p> <p>Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.</p>

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	<ul style="list-style-type: none"> ▪ Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organization for which it is responsible 	<ul style="list-style-type: none"> ▪ Overview and Scrutiny Committee/procedure rules 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based 	<ul style="list-style-type: none"> ▪ Record of decisions and supporting materials 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice 	<ul style="list-style-type: none"> ▪ Members/Officers Code of Conduct 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ 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 functions of such a committee 	<ul style="list-style-type: none"> ▪ Terms of reference ▪ Membership 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints 	<ul style="list-style-type: none"> ▪ Corporate Complaints procedure 	<i>Fully Compliant</i>
b. Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	<ul style="list-style-type: none"> ▪ Ensure that those making decisions whether for the authority or the partnership are provided with the information that is fit for purpose – relevant, timely and gives clear explanations of technical issues and their implications 	<ul style="list-style-type: none"> ▪ Timely and relevant information 	<i>Fully Compliant. In addition, the Deputy Chief Executive has begun a review of reports to Cabinet. The aim of this is to consider how meetings can be most effective, ensure the information provided to Members meets their needs and the constitutional requirements of the Council</i>
	<ul style="list-style-type: none"> ▪ Ensure that proper professional advice on 	<ul style="list-style-type: none"> ▪ Review of papers by DFIT and 	<i>Fully Compliant</i>

	matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	DLPS	
c. Ensuring that an effective risk management system is in place	<ul style="list-style-type: none"> Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognizing that risk management is part of their jobs 	<ul style="list-style-type: none"> Risk Management Policy Strategic Risk Register Department Risk Registers Purchase and implementation of an integrated risk management and audit management system 	<i>Staff timesheets are currently being input into the audit management system and once input this will be used for progress reporting. Working paper and report templates are currently being agreed. A risk management module exists within the system, however, a decision is to be made as to how this will accommodate the strategic risk register and audit plan and whether the risk management module will be utilized going forward.</i>
	<ul style="list-style-type: none"> Ensure that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access 	<ul style="list-style-type: none"> Whistleblowing Policy 	<u>Fully Compliant</u>
d. Using their legal powers to the full benefit of the citizens and communities in their area	<ul style="list-style-type: none"> Actively recognize the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilize their powers to the full benefit of their communities 	<ul style="list-style-type: none"> Monitoring Officer Legislation (Section 5 Local Government & Housing Act 1989) Constitution (Functions of the Monitoring Officer) 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> Recognize the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law 	<ul style="list-style-type: none"> Review of papers by DFIT and DLPS 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> - rationally, legality and natural justice - into their procedures and decision-making processes 	<ul style="list-style-type: none"> Monitoring Officer Legislation (Section 5 Local Government & Housing Act 1989) Constitution (Functions of the Monitoring Officer) 	<u>Fully Compliant</u>

Reference Documents	
<p>Worth the Risk: Improving Risk Management in Local Government, Audit Commission (2001)</p> <p>Risk Management in the Public Services, CIPFA/ALARM (2001)</p> <p>The Orange Book – Management of Risk Principles and Concepts, HM Treasury (October 2004)</p> <p>Audit Committees: Practical Guidance for Local Authorities, CIPFA (2005)</p> <p>The Good Scrutiny Guide: A Pocket Guide for Public Scrutineers, Centre for Public Scrutiny (2006)</p> <p>Overview and Scrutiny in Local Government: A handbook for Elected Members, centre for Public Scrutiny (2006)</p> <p>A Wider Conversation: effective Scrutiny of Local Strategic Partnerships, IDeA (February 2007)</p>	

PRINCIPLE 5

<p>Developing the capacity and capability of members and officers to be effective:</p> <ul style="list-style-type: none"> • Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles • Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group • Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.
<p>Effective local government relies on public confidence in authority members, whether elected or appointed, and in officers. Good governance strengthens credibility and confidence in our public services. Authorities need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding, and authority members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience.</p> <p>Good governance means drawing on the largest possible pool of potential members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election or apply for appointed positions will develop a membership that has a greater range of experience and knowledge. It will also help to increase the diversity of authority members in terms of age, ethnic background, social class, life experiences, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organizations.</p>

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	<ul style="list-style-type: none"> ▪ Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis 	<ul style="list-style-type: none"> ▪ Councillor Induction/Training ▪ Resource and Development Manager ▪ Councillor Services Group ▪ Standards Committee ▪ Corporate Awareness training for all new employees ▪ Training and Development Policy ▪ EDR process 	<i>Fully Compliant. However, the Councillor Training and Development Strategy is due to be reviewed. The Resource and Development Manager is currently in discussion with the political groups.</i>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Job Descriptions/Person Specifications 	<i>Fully Compliant</i>
b. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	<ul style="list-style-type: none"> ▪ Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively 	<ul style="list-style-type: none"> ▪ Training and Development Policy ▪ EDR process ▪ Councillor Induction/Training 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ Develop skills on a continuing basis to improve performance, including the ability to scrutinize and challenge and to recognize when outside expert advice is needed 	<ul style="list-style-type: none"> ▪ Member Training Materials 	<i>The current Councillor Training and Development Strategy calls for each group leader to discuss development needs with individual group members. This process is not rolled out across all the groups, although the majority of Labour group members engaged in the process last year. The main focus on the training organised has been around IT, communication and leadership skills. It is intended that all political parties will sign up to the process and each political leader will take ownership of the process. A confidentiality element will be built into the process with individuals retaining their own documents.</i>
	<ul style="list-style-type: none"> ▪ Ensure that effective arrangements are in 	<ul style="list-style-type: none"> ▪ Effectiveness review of the 	<i>Fully Compliant</i>

	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	Executive	
c. Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal	<ul style="list-style-type: none"> ▪ Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority 	<ul style="list-style-type: none"> ▪ Local Strategic Partnership (Wigan Borough Partnership) ▪ Citizens Panel ▪ Residents Surveys ▪ Townships ▪ Wigan and Leigh Community Safety Partnership ▪ Community Empowerment Programme 	<i>During our last review of Governance in April 2007, it was noted that up to date minutes for all Forum meetings for each Township were not available on the intranet. The Township Co-ordinators now have access to the web pages and all minutes will be added as soon as possible .</i>
	<ul style="list-style-type: none"> ▪ Ensure that career structures are in place for members and officers to encourage participation and development 	<ul style="list-style-type: none"> ▪ People Strategy 	<i>Fully Compliant</i>

Reference Documents	
Frontline Councillor: How Local politicians can make a Difference to their Communities, IDeA (2007)	

PRINCIPLE 6

<p>Engaging with local people and other stakeholders to ensure robust public accountability:</p> <ul style="list-style-type: none"> • Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships • Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning • Making best use of human resources by taking an active and planned approach to meet responsibility to staff.
<p>Local government is accountable in a number of ways. Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions. All authorities are subject to external review through the external audit of their financial statements. They are required to publish their financial statements and are encouraged to prepare an annual report. Many are subject to national standards and targets. Their budgets are effectively subject to significance influence and overview</p>

Supporting principles	The local code should reflect the requirement for local authorities to:	Compliance Evidenced by:-Source Documents/Processes	Additional work to achieve full compliance and responsible officer
a. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	<ul style="list-style-type: none"> ▪ Make clear to themselves, all staff and the community to whom they are accountable and for what 	<ul style="list-style-type: none"> ▪ Overview and Scrutiny Committee/procedure rules 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> ▪ Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required 	<ul style="list-style-type: none"> ▪ Community plan 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> ▪ Produce an annual report on the activity of the scrutiny function 	<ul style="list-style-type: none"> ▪ Annual report 	<i>Review of Council minutes confirmed that an annual report detailing the activities of the Overview and Scrutiny Committee had not been submitted. The Assistant Chief Executive has confirmed that he will arrange for a report to be prepared that looks back over the past year.</i>
b. Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning	<ul style="list-style-type: none"> ▪ Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively 	<ul style="list-style-type: none"> ▪ Corporate Consultation Strategy ▪ Local Strategic Partnership ▪ Citizens Panel ▪ “Borough Life” Magazine ▪ Corporate Communication Strategy ▪ Employee Survey ▪ Corporate IIP ▪ EDR process 	<p><i>The Corporate Consultation Strategy is currently being updated and is due to be completed by September 2007.</i></p> <p><i>The Corporate Communications Strategy will be reviewed this year following the outcome of the Support Services Review.</i></p> <p><i>The job evaluations are ongoing.</i></p>
	<ul style="list-style-type: none"> ▪ Hold meetings in public unless there are good reasons for confidentiality 	<ul style="list-style-type: none"> ▪ Constitution - Access to Information Procedure Rules 	<u>Fully Compliant</u>
	<ul style="list-style-type: none"> ▪ Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognize that different sections of the community have different priorities and establish explicit processes for 	<ul style="list-style-type: none"> ▪ Community plan ▪ Townships ▪ Process for dealing with competing demands: <ul style="list-style-type: none"> - Members obligation - Member induction process 	<u>Fully Compliant</u>

	dealing with these competing demands	<ul style="list-style-type: none"> - Training and Development - Township Programme and Surgeries - Panels and Committees 	
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Corporate Communication Strategy 	<i>Fully Compliant</i>
	<ul style="list-style-type: none"> ▪ On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period 	<ul style="list-style-type: none"> ▪ Corporate Plan ▪ Statement of Accounts 	<i>An Annual Report for 06/07 is currently in draft format and is expected to be finalized October 2007. The report provides an overview of the Council and contains financial information and reports on key performance indicators. Once finalized, the report will be available on the internet, at the Town Hall and in libraries.</i>
	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Constitution - Access to Information Procedure Rules 	<i>Fully Compliant</i>
c. Making best use of human resources by taking an active and planned approach to meet responsibility to staff	<ul style="list-style-type: none"> ▪ Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making 	<ul style="list-style-type: none"> ▪ Record of decisions and supporting materials 	<i>Fully Compliant</i>

Reference Documents	
Governing Partnerships: Bridging the Accountability Gap, Audit Commission (2005)	
The Good Governance Standard for Public Services, The Independent Commission on Good Governance in Public Services (2004)	