

**Good Governance Standard Self-Assessment
26th April 2006**

Report of Corporate Director(Finance & Performance)

PURPOSE OF REPORT

To provide the Committee with a self assessment against the Good Governance Standard for Public Services to enable a decision on whether the Standard should be adopted.

This report is public

RECOMMENDATIONS

- (1) **That the Good Governance Standard for Public Services be used as a self assessment tool in the preparation of the Council's annual Statement on Internal Control and Corporate Governance.**

1.0 Introduction

- 1.1 On 16th June 2005 the Standards Committee requested that officers research the implications of implementing the Good Governance Standard for Public Services and report to both the Standards and the Audit Committees.

2.0 Proposal Details

- 2.1 The Good Governance Standard for Public Services was produced by an Independent Commission promoting good governance in all public service organisations. The guidance, which Authorities are recommended to adopt, supplements statutory and best practice codes and protocols and provides a means to assess strengths and weaknesses with a view to making improvements.
- 2.2 The Standard is not only concerned with good standards of behaviour and conduct but the wider issues of corporate governance.
- 2.3 Internal Audit, as part of a scheduled annual review of Corporate Governance has completed a self assessment against the Standard, a copy of which is appended to this report. The self-assessment is in two parts, the first part in Table A being an "Assessment questions for governors and governing bodies to ask themselves". The second part, in Table B covers "Questions for members of the public and their representatives to ask if they want to assess and challenge standards of governance" These questions have been answered in-house as independently as possible to provide a test of openness and responsiveness to the public and service users.

- 2.4 The self-assessment questions are taken directly from the Standard and the 'key elements' listed alongside each are the Authority's documents and processes which contribute to meeting the standards set. An evaluation of the current position against each question is provided identifying potential avenues for improvement.
- 2.5 The assessment shows that the Authority has a clear purpose and decisions are well informed. Roles and responsibilities are clearly defined and the values of good governance are promoted through behaviour. The assessment highlights there have been significant improvements in the last year surrounding customer focus and consultation, performance management and risk management.
- 2.6 Work is already ongoing (partly as a result of previous reviews of corporate governance) to address the majority of action areas. The principles of corporate governance are intrinsic to the production of the Council's annual Statement on Internal Control and Corporate Governance (SIC&CG) and the basis of the self assessment already forms part of the database used to evaluate the Authority's systems for internal control in preparation for writing the annual statement. It is felt that formally adopting the Good Governance Standard itself would probably lead to duplication of work. Furthermore, the Council has set up arrangements to ensure that it adheres to its statutory responsibilities in respect of governance.
- 2.7 The Good Governance Standard is aimed at all public service organisations and as such, some criteria are not readily applied to a local authority such as Lancaster. Nevertheless, the Standard is considered to be a helpful self assessment tool which can usefully be referred to in annual preparations for the SIC&CG.

3.0 Details of Consultation

- 3.1 Not applicable

4.0 Options and Options Analysis (including risk assessment)

4.1 Option 1 - Adopt the Good Governance Standard

- 4.1.1 Adoption of the Good Governance Standard would demonstrate the Council's commitment to achieving high standards in governance and conduct. The standard itself could be used on a regular basis (say annually) for monitoring and reappraisal purposes.
- 4.1.2 It should be recognised that the elements covered in the standard are already, or are currently being, built in to the Council's Internal Control and Corporate Governance Framework, which is reviewed annually in the production of the annual Statement on Internal Control and Corporate Governance.

4.2 Option 2 - Use the Standard to supplement/inform existing processes

- 4.2.1 The Standard provides a very useful and up to date reference for corporate governance. It is a helpful self assessment tool which can usefully supplement existing review arrangements and be referred to in annual preparations for the SIC&CG.

4.3 Officer Preferred Option and Justification

- 4.3.1 As the key elements of the Standard are already built in to the existing Internal Control and Corporate Governance Framework, option 2 is preferred to avoid unnecessary and potentially confusing duplication.

5.0 Conclusion

5.1 The completion of the self-assessment has highlighted the Council's strengths in many areas of the Standard, and has served to identify or confirm potential areas for improvement. By incorporating the Standard into its existing framework, the Council can expect to continue to improve the effectiveness of its Corporate Governance arrangements.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)	
None identified	
FINANCIAL IMPLICATIONS	
None arising from this report	
SECTION 151 OFFICER'S COMMENTS	
The Section 151 Officer has been consulted and has no further comments to add	
LEGAL IMPLICATIONS	
None arising from this report	
MONITORING OFFICER'S COMMENTS	
The Monitoring Officer has been consulted and has no further comments to add	
BACKGROUND PAPERS	Contact Officer: Derek Whiteway Telephone: 01524 582045 E-mail: dwhiteway@lancaster.gov.uk Ref: aud/audcomm/260406
The Good Governance Standard for Public Services Standards Committee 16 th June 2005 - Minute 14	