

APPENDIX A

<u>Sub - Principles</u>	<u>Behaviour and actions that demonstrate good governance in practice</u>
Behaving with integrity	<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values

<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organization • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively
<p>Openness</p>	<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria,

Engaging comprehensively with institutional stakeholder

rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear

- **Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action**

NB institutional stakeholders are the other organisations that local government needs to work with to improve services and Outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

- **Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably**
- **Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively**

- **Ensuring that partnerships are based on:**

- **Trust**
- **a shared commitment to change**
- **a culture that promotes and accepts challenge among partners**

and that the added value of partnership working is explicit

- **Establishing a clear policy on**

Engaging with individual citizens and service users effectively

the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes

- Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement**
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs**
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account**
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity**
- Taking account of the impact of decisions on future generations of tax payers and service users**

Defining outcomes

- Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions**
- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer**

<p>Sustainable economic, social and environmental benefits</p>	<ul style="list-style-type: none"> • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available • Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs • Ensuring fair access to services
<p>Determining interventions</p>	<ul style="list-style-type: none"> • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Considering feedback from citizens and service users when

Planning interventions

making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets**
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered**
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks**
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances**
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured**
- Ensuring capacity exists to generate the information required to review service quality regularly**
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan**
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital**

<p>Optimising achievement of intended outcomes</p>	<p>expenditure aimed at developing a sustainable funding strategy</p> <ul style="list-style-type: none"> • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage • Ensuring the achievement of 'social value' through service planning and commissioning
<p>Developing the entity's capacity</p>	<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

Developing the capability of the entity's leadership and other individuals

- **Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained**
- **Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body**
- **Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority**
- **Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:**
 - **ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged**
 - **ensuring members and officers have the appropriate skills, knowledge, resources**

Robust internal control

- **Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement**
- **Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)**

- **Aligning the risk management strategy and policies on internal control with achieving objectives**
- **Evaluating and monitoring risk management and internal control on a regular basis**
- **Ensuring effective counter fraud and anti-corruption arrangements are in place**
- **Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor**
- **Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:**
 - **provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment**
 - **that its recommendations are listened to and acted upon**

Managing data

- **Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data**
- **Ensuring effective arrangements**

Assurance and effective accountability

- which the
- **principles contained in this Framework have been applied and publishing the results on this assessment, including**
 - **an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)**
 - **Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate**
 - **Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations**

 - **Ensuring that recommendations for corrective action made by external audit are acted upon**
 - **Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon**
 - **Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations**
 - **Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement**
 - **Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met**
