

GREATER MANCHESTER INTEGRATED TRANSPORT AUTHORITY**REPORT FOR RESOLUTION**

REPORT TO: **AUDIT COMMITTEE**
DATE: **16 OCTOBER 2009**
SUBJECT: **CORPORATE CODE OF GOVERNANCE**
REPORT OF: **THE CLERK TO THE AUTHORITY**

PURPOSE OF REPORT

To enable the Audit Committee to consider and comment on the draft Code of Corporate Governance for the Authority.

RECOMMENDATIONS

To propose any appropriate changes to the draft Code of Corporate Governance, prior to a final draft being formally considered for endorsement by the Authority at its meeting on 18 December 2009.

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BACKGROUND DOCUMENTS

Delivering Good Governance in Local Government - Framework

BACKGROUND

As Members will be aware, the Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Authority's affairs and the stewardship of the resources at its disposal.

To this end, Officers have drafted the attached proposed Code of Corporate Governance in line with the good practice prescribed by the Chartered Institute of Public Finance and Accountancy.

The Audit Committee is recommended to consider this draft Code and propose any changes that they deem appropriate prior to a final draft being formal considered for endorsement by the next full meeting of the Authority on 18 December.

DRAFT CODE OF CORPORATE GOVERNANCE

Introduction

Governance is as much about culture and values as it is about systems and processes. If the GMITA is to deliver its ambitions for Greater Manchester, we need an organisation which is 'fit for purpose' and staff who are well prepared for the challenges of upholding the highest standards of services.

This Code of Corporate Governance sets out how the Greater Manchester Integrated Transport Authority (GMITA) ensures that it:

- **Conducts business legally and properly**
- **Safeguards and accounts for public money by utilising it in the most economical, efficient and effect manner**
- **Secures continuous improvement in the way it works**

The Code will be reviewed on an annual basis to ensure that it continues to be fit for purpose and relevant and reflects the political priorities established at the beginning of the year.

GMITA recognises that local transport contributes to making Greater Manchester a wealthier, healthier and safer place to live, work and visit. That is why we want to provide the people of Greater Manchester with the best possible public transport network in terms of quality, safety and attractiveness, convenience and accessibility.

Each year the GMITA will review how effective its governance arrangements have been and will publish an Annual Governance Statement to demonstrate publicly how the Authority has performed against the Code, identifying where and how any improvements in governance will be made for the forthcoming year.

The GMITA is made up of 33 elected councillors appointed by the ten district councils in Greater Manchester. The GMITA sets local public transport policy and is responsible for deciding how money is spent on supporting and improving Greater Manchester's public transport network.

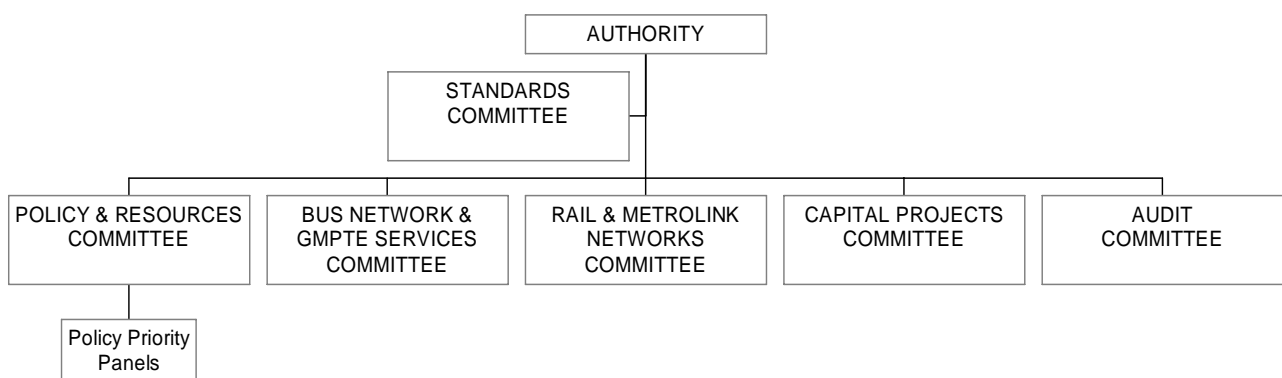
The general functions of the GMITA are:

- To consider, on advice from the GMPTE, what public passenger transport services are appropriate to meet the public transport requirements for Greater Manchester;
- To formulate general policies for measures to promote the availability, integration and convenience of public passenger transport services;
- To have regard to the transport needs of elderly or disabled members of the public and also to the Government's policies with regard to the environment;
- Within these functions, the Authority has also been provided with well-being powers allowing it to take any action if it determines that doing so is likely to achieve the

promotion of economic, social or environmental well being, unless such an action is prohibited in legislation;

- To develop policies for the promotion and encouragement of safe, integrated, efficient and economic public passenger transport facilities and services;
- To prepare an Annual Report with the GMPTE; and,
- To lead the development of subsequent Local Transport Plans, in consultation with District Authorities and more widely as a matter of course.

The GMITA has recently reviewed its committee structure to ensure it is in the best position to deliver. The work of the GMITA is undertaken through a series of Committees, each with their own distinct terms of reference as laid down in the Authority's constitution. The structure of the Authority and its various Committees is outlined below:



Each Committee has identified officers who are responsible for ensuring the Committee discharges its duties in a legal and effective manner.

Code of Corporate Governance

1. We focus on:

- **What the GMITA is working towards – making public transport the preferred choice in Greater Manchester**
- **Influencing/creating the conditions for us to deliver excellence**
- **The importance of measuring our performance and our partners**

Good governance provides the conditions for the GMITA and its partners to work effectively, economically and ethically. It helps to focus on achieving aims by delivering excellent services to the residents and service users of Greater Manchester.

This means 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 cultures 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”.

In order to achieve our objectives we:

- Continue to plan improvements for public transport, regularly monitor and promotes services, with the objective of becoming the preferred choice for more journeys in Greater Manchester
- Develop, implement and maintain effective partnerships with strategic stakeholders so as to secure the their commitment, support and influence for the benefit of passengers and in support of wider economic, environmental and social policy objectives
- Deliver accessible and appropriate public transport services for the whole of Greater Manchester, ensuring compliance with new equalities legislation
- Regularly measure service quality and performance and identify, with strategic partners, areas of improvement
- Ensure that we and our partners optimise value for money, and the use of value creating innovation and technology
- Manage our effect on the environment to ensure sustainability of our operations, activities and strategies

2. GMITA councillors and officers work together to achieve a common purpose with clearly defined functions and roles to achieve our vision

We actively promote the collaboration of councillor/officer working to achieve a common purpose by:

- Clearly defining the roles and responsibilities of councillors and senior officers within the GMITA Constitution
- Having an established Scheme of Delegation of Functions to Chief Officers/Schedule of Proper Officers within the GMITA Constitution
- Reviewing the GMITA Constitution on an annual basis
- Maintaining and developing standards to ensure effective communication between councillors and officers
- Providing clear advice to councillors about their individual and collective roles and responsibilities when working with partners
- Ensuring that the GMITA strategic plans, priorities and measures are clear and that they develop through consultation and engagement with the local community and others directly

3. Promoting GMITA values and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Our vision is underpinned by values which are reflected in the way we work and communicate with each other, our customers, our stakeholders and our partners. They are:

- To deliver our commitments to a high standard, on time and on budget
- To work in collaboration with partners to achieve our goals
- To continually improve the services we and our partners provide to transform public transport in Greater Manchester
- To behave ethically, act with honesty and are fair in everything we do
- To be accountable and responsible for our actions and consequences, publishing performance against committed targets and indicators on an annual basis.

4. We take informed and transparent decisions which are subject to scrutiny and managing risk

Decision makers ensure they are well informed, follow procedures and act responsibly to ensure that services are delivered effectively and that decisions taken meet the needs of the community by following good governance standards.

Risk management is important to the successful delivery of the Authority's objectives. In effect, risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

In order to achieve this we:

- Encourage constructive challenge and improving GMITA and partners performance
- Develop and maintain open and effective ways of recording decisions and challenge, eg. How and why they were made, who was consulted and what options were available
- Have arrangements in place to safeguard councillors and employees against conflicts of interest
- Develop and maintain an effective Audit Committee
- Have effective, transparent and accessible ways to handle complaints
- Have professional advice available on matters requiring legal or financial implications and recorded to assist with decision making

- Ensure councillors and managers recognise that risk management is part of their role and is crucial to the operation of the GMITA
- Recognise the legal limits of our role, whilst striving to use powers for the full benefit of the travelling public in Greater Manchester

5. We continue to develop the capacity and capability of both councillors and officers to be effective

We need people with the right skills to direct and control the GMITA effectively. Governance is strengthened by the participation of people with many different types of knowledge and experience.

In order to achieve this we:

- Provide induction programmes for councillors
- Provide opportunities for councillors and officers to increase their knowledge and skills
- Ensure that the statutory officers have the skills, resources and support necessary to perform effectively their roles
- Ensure a constructive working relationship exists between councillors and officers

6. We engage with the community and other stakeholders to ensure robust public accountability

The GMITA accounts are reviewed by external auditors, their opinion together with the final accounts are published annually and are available for public inspection.

Both Councillors and officers are subject to defined codes of conduct.

The GMITA is committed to ensuring the highest possible standards of accountability.

To achieve this the GMITA:

- Holds meetings in public unless there are good reasons to exclude the press and public
- Aims to engage with all sections of the community, recognising the individual needs of specific communities.
- Seeks to ensure engagement with the community of Greater Manchester on specific issues affecting the provision of optimum public transport services.
- Publishes an Annual Report providing information on the GMITA's vision, strategy, annual financial statements and performance against agreed targets and indicators.

- Ensures that the GMITA is open and accessible to service users and staff, supported by a commitment to openness and transparency in all our dealing, including partnerships (subject only to the need to preserve confidentiality in specific circumstances where it is appropriate to do so).

7. We monitor and review the GMITA's governance

The GMITA has two committees jointly responsible for monitoring and reviewing governance; the Audit Committee and Standards Committee.

The Audit Committee terms of reference are:

- To consider and advise the Authority on its Statement of Accounts in accordance with the Accounts and Audit Regulations 2003.
- To consider the District Audit's Annual Audit and Inspection Letter in accordance with Accounts and Audit Regulations 2003 and monitor the Authority's response to individual issues of concern identified.
- To consider and advise the Authority on the findings of its annual review of the effectiveness of its System of Internal Control, including the effectiveness of its system of internal audit.
- To oversee the effectiveness of the Authority and Executive's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- To challenge the Authority's performance management arrangements.
- To oversee and review the Authority's internal audit strategy, and receives reports, as appropriate from the Internal Auditor.
- To engage with the District Auditor and external inspection agencies and other relevant bodies to ensure that there are effective relationships between external and internal audit.

The Standards Committee terms of reference are:

- To advise the Authority on the promotion and maintenance of high standards of conduct on the part of its Members.
- To advise the Authority on the adoption or revision of the Code of Conduct for members.
- To assess written allegations of breaches of the Code of Conduct for Members.
- To review on the request of a complainant a decision that no action be undertaken in respect of an allegation.
- To deal with any reports from a Case Tribunal or Interim Case Tribunal, and any report from the Monitoring Officer, or any matter referred to it for determination by the Monitoring Officer, an Ethical Standards Officer or the Standards Board for England.
- To monitor the operation of the Code of Conduct

- To grant dispensations to Members from requirements in the Code of Conduct preventing Members participating in decision making.