

Report to	-	Audit and Standards Committee
Date	-	26 June 2017
Report of the	-	Executive Director of Resources
Subject	-	Local Code of Corporate Governance

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**Recommendation to COUNCIL:** That revised Local Code of Corporate Governance be approved and adopted.

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**Service Manager: Robin Vennard**

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## Introduction

1. Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves.
2. The new CIPFA/SOLACE Framework, in the main mirrors the last CIPFA/SOLACE Guidance Framework. The new CIPFA/SOLACE Framework applies to annual governance statements prepared for the financial year 2016/17 onwards. The concept underpinning the framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. By applying the principles in the Local Code, the Council commits itself to discharging its services to Rother residents in a way that demonstrates accountability, transparency, effectiveness, integrity and inclusivity.

## Main Changes from the previous Code

3. There are two main changes to the Local Code that have been made:
4. **Principle D:** Determining the interventions necessary to optimise achievement of the intended outcomes. This aspect of the Local Code examines the strategic combination of legal, regulatory and practical interventions, with a view to them ensuring that the intended outcomes are achieved.
5. **Principle G:** Implementing good practices in transparency reporting and audit to deliver effective accountability. The purpose of this aspect of the Local Code is to ensure that those making decisions and delivering services are held accountable for the same. Transparency is a key driver for this Local Code, with both internal and external audit required to contribute to effective accountability.
6. The Council's revised Local Code of Corporate Governance has been amended to comply with the changes introduced by CIPFA/SOLACE. As with

the previous Local Code, the Council is required to demonstrate through evidence how it meets all aspects of the Local Code. The revised Local Code detailed at Appendix A sets out the revised Local Code along with the evidence relied upon to demonstrate compliance. There are a number of actions arising from the review and these are summarised within the Appendix.

7. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Malcolm Johnston  
Executive Director of Resources

### **Risk Assessment Statement**

Sound local governance is integral to demonstrating to Rother residents and businesses the legitimacy of decisions made by the Council and the actions it undertakes. Failures of officers and Members to act in accordance with the code could lead to reputational and financial consequences for the Council.

## **Rother District Council**

# **Local Code of Corporate Governance**

### **1.0 Introduction**

- 1.1 Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a Council's arrangements for effective:

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

### **2.0 Good Corporate Governance**

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) published a framework for "*Delivering Good Governance in Local Government*" in April 2016.
- 2.2 Rother District Council is committed to the principles of good corporate governance identified in the CIPFA/SOLACE guidance and confirms its on-going intentions through the adoption, monitoring and development of its own Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance will encourage stakeholders to have confidence in us and will allow the Council to undertake its role with its community.
- 2.3 This document sets out Rother District Council's *Local Code of Corporate Governance* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

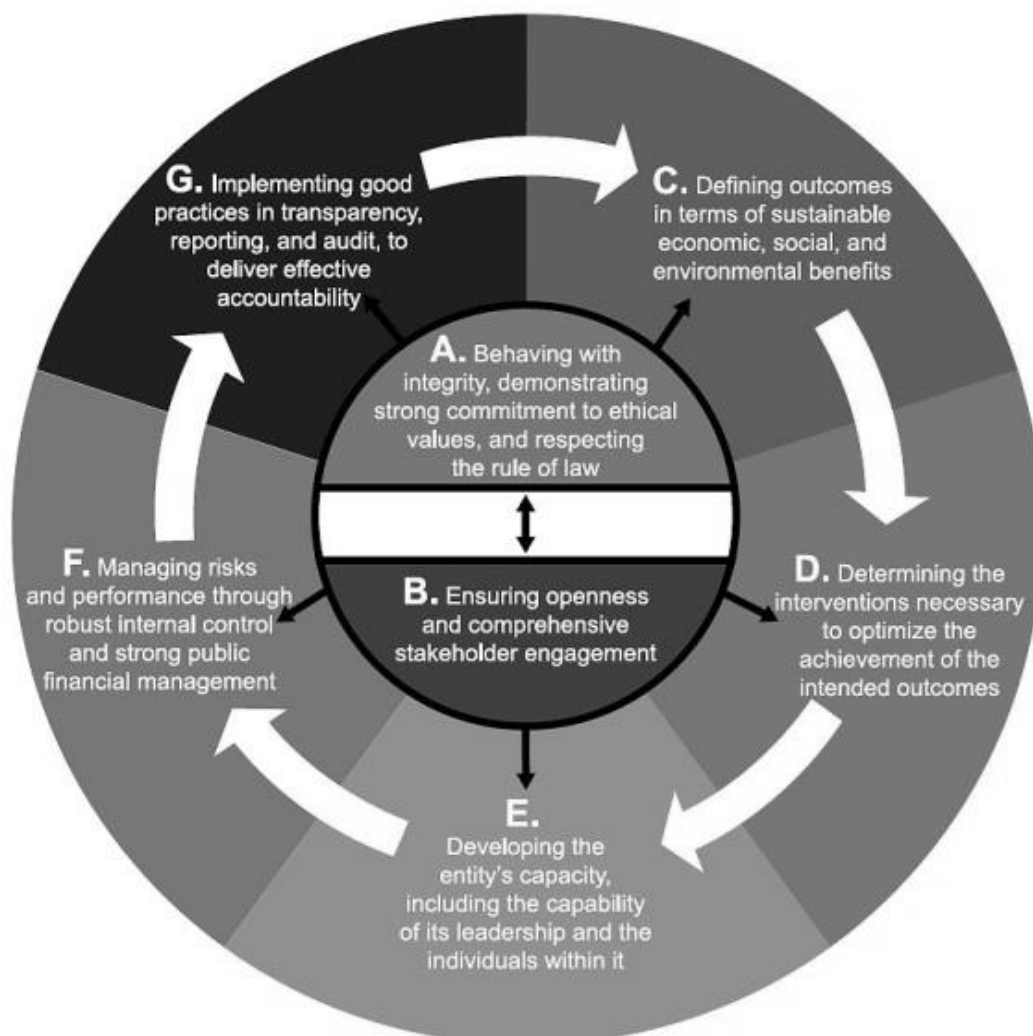
### **3.0 The Principles Of Corporate Governance At Rother District Council**

- 3.1 The Code is based on seven core principles:
- A. Behaving with integrity, demonstrating commitment to ethical values and respecting the rule of law;
  - B. Ensuring openness and comprehensive stakeholder engagement;

- C. Defining outcomes in terms of sustainable economic, social and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management;
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

3.2 The diagram below illustrates how the core principles of good governance relate to each other.

### Achieving the Intended Outcomes While Acting in the Public Interest at all Times



3.3 The CIPFA/SOLACE guidance specifically identifies the actions and behaviours required to comply with each of these core principles and their associated sub-principles. The extent to which Rother District Council is complying with each of these requirements and any key actions required to further improve compliance are set out in the Appendix to this document.

## **4.0 Openness and Reporting on Corporate Governance**

### **4.1 Rother District Council will:**

- a) Ensure that the Local Code of Corporate Governance is made available and communicated to all Members and Officers and is available for inspection by the public.
- b) Designate the Executive Director of Resources as the Officer responsible for overseeing, implementing, monitoring and reviewing the operation of the Code.
- c) Report annually to the Council on compliance with the Code and any changes that may be necessary to maintain it and ensure its effectiveness. This will include any recommendations made by the Council's external auditor or other external inspectors.
- d) Develop an Action Plan to identify and review areas of the Code where further work is required, and make the necessary arrangements to ensure it is undertaken.
- e) Provide annual statements in key corporate documents on how Rother is complying with the Code, including how it has maintained the effectiveness of its Corporate Governance arrangements during the year and any planned changes for the forthcoming year.
- f) Ensure that actions identified in the annual Corporate Governance Action Plan receive full consideration within the budget setting process.

**Acting in the public interest requires a commitment to and effective arrangements for:**

<b>Principle A</b> Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
<b>Behaving with integrity</b>			
1.	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.	<ul style="list-style-type: none"> <li>• Codes of conduct</li> <li>• Induction for new Members and staff on standard of behaviour expected</li> <li>• Member Development Task Group</li> <li>• Performance appraisals</li> </ul>	The code guidance recommends individual sign off with regard to compliance with code. Executive Director of Resources March 18
2.	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).	<ul style="list-style-type: none"> <li>• Communicating shared values with Members, staff, the community and partners.</li> <li>• Members' Induction</li> <li>• Corporate Plan</li> <li>• Staff Handbook</li> </ul>	
3.	Leading by example and using these standard operating principles or values as a framework for decision making and other actions.	<ul style="list-style-type: none"> <li>• Decision making practices</li> <li>• Declarations of interests made at meetings</li> <li>• Conduct at meetings</li> <li>• Shared values guide decision making</li> <li>• Maintenance of an effective standards regime.</li> </ul>	
4.	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.	<ul style="list-style-type: none"> <li>• Anti-fraud and corruption policies are working effectively</li> <li>• Up-to-date register of interests (Members and staff)</li> <li>• Up-to-date register of gifts and hospitality</li> <li>• Whistleblowing policies are in place and protect individuals raising concerns</li> <li>• Whistleblowing policy has been made available to Members of the public, employees, partners and contractors.</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
		<ul style="list-style-type: none"> <li>• Complaints policy and examples of responding to complaints about behaviour</li> <li>• Changes/improvements as a result of complaints received and acted upon</li> <li>• Members and Officers code of conduct refers to a requirement to declare interests</li> <li>• Minutes show declarations of interest were sought and appropriate declarations made</li> </ul>	
<b>Demonstrating strong commitment to ethical values</b>			
5.	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> <li>• Scrutiny of ethical decision making</li> <li>• Championing ethical compliance at governing body level</li> <li>• Member Development Task Group</li> <li>• Effective standards regime</li> </ul>	
6.	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation		The guidance to the code suggests that specific training of ethical awareness should be provided. Service Manager Corporate and Human Resources March 18
7.	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<ul style="list-style-type: none"> <li>• Appraisal processes take account of values and ethical behaviour</li> <li>• Procurement policy</li> <li>• Corporate Plan</li> </ul>	
8.	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	<ul style="list-style-type: none"> <li>• Agreed values in partnership working: Statement of business ethics communicates commitment to ethical values to external suppliers</li> <li>• Ethical values feature in contracts with external service providers</li> <li>• Protocols for partnership working</li> </ul>	
<b>Respecting the rule of law</b>			
9.	Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> <li>• Statutory provisions</li> <li>• Statutory guidance is followed</li> <li>• Constitution</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
10.	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	<ul style="list-style-type: none"> <li>• Job description/specifications</li> <li>• Compliance with CIPFA's <i>Statement on the Role of the Chief Financial Officer in Local Government</i> (CIPFA, 2015)</li> <li>• Terms of reference</li> <li>• Committee support</li> </ul>	
11.	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders		
12.	Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> <li>• Monitoring Officer provisions</li> <li>• Record of legal advice provided by Officers</li> <li>• Statutory provisions</li> </ul>	
13.	Ensuring corruption and misuse of power are dealt with effectively	<ul style="list-style-type: none"> <li>• Effective anti-fraud and corruption policies and procedures</li> <li>• Local test of assurance – annual internal review</li> </ul>	



<b>Principle B Ensuring openness and comprehensive stakeholder engagement</b>		
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>
<b>Issues to be addressed, target date and Officer responsible</b>		
<b>Openness</b>		
1.	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> <li>• Annual report</li> <li>• Freedom of Information Act publication scheme</li> <li>• Online council tax information</li> <li>• Authority's goals and values</li> <li>• Authority website</li> </ul>
2.	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	<ul style="list-style-type: none"> <li>• Record of decision making and supporting materials</li> <li>• Minutes of public meetings are accessible via the Council's website.</li> </ul>
3.	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> <li>• Decision making protocols</li> <li>• Report pro-formas</li> <li>• Record of professional advice in reaching decisions</li> <li>• Meeting reports show details of advice given</li> <li>• Discussion between Members and Officers on the information needs of Members to support decision making</li> <li>• Agreement on the information that will be provided and timescales</li> <li>• Calendar of dates for submitting, publishing and distributing timely reports is adhered to</li> </ul>
4.	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<ul style="list-style-type: none"> <li>• Community strategy</li> <li>• Use of consultation feedback</li> <li>• Citizen survey and Panel</li> </ul>

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentat ion demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
<b>Engaging comprehensively with institutional stakeholders</b>			
5.	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	<ul style="list-style-type: none"> <li>Contract with East Sussex County Council for the provision of communications service to the Council</li> </ul>	The guidance suggests that the Council has an overarching communications strategy. The Council does not currently have an up to date strategy and this will be reviewed during 2017/18. Executive Director of Resources March 18
6.	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> <li>Database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes</li> </ul>	
7.	Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>– trust</li> <li>– a shared commitment to change</li> <li>– a culture that promotes and accepts challenge among partners</li> </ul> and that the added value of partnership working is explicit	<ul style="list-style-type: none"> <li>Partnership framework</li> <li>Partnership protocols</li> </ul>	
<b>Engaging with individual citizens and service users effectively</b>			
8.	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> <li>Record of public consultations</li> <li>Partnership framework</li> </ul>	
9.	Ensuring that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement	<ul style="list-style-type: none"> <li>Contract with East Sussex County Council for the provision of communications service to the Council</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentati on demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
10.	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<ul style="list-style-type: none"> <li>Contract with East Sussex County Council for the provision of communications service to the Council</li> <li>Joint strategic needs assessment where appropriate. E.g Welfare Reform Programme jointly with ESCC</li> </ul>	
11.	Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	<ul style="list-style-type: none"> <li>Contract with East Sussex County Council for the provision of communications service to the Council</li> </ul>	
12.	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> <li>Processes for dealing with competing demands within the community, for example a consultation</li> <li>Use of Task and Finish groups which engages with Stakeholders</li> </ul>	
13.	Taking account of the interests of future generations of tax payers and service users	<ul style="list-style-type: none"> <li>Rother 2020 Programme</li> <li>Corporate Plan</li> </ul>	

***In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in local government also requires effective arrangements for:***

<b>Principle C</b> Defining outcomes in terms of sustainable economic, social, and environmental benefits			
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
<b>Defining outcomes</b>			
1.	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> <li>• Vision of Corporate Plan used as a basis for corporate and service planning</li> </ul>	
2.	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	<ul style="list-style-type: none"> <li>• Community engagement and involvement</li> <li>• Corporate and service plans</li> <li>• Community strategy</li> </ul>	
3.	Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> <li>• Regular reports on progress</li> </ul>	
4.	Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> <li>• Performance trends are established and reported upon</li> <li>• Risk management protocols</li> </ul>	
5.	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> <li>• An agreed set of quality standard measures for each service element and included in service plans</li> <li>• Processes for dealing with competing demands within the community</li> </ul>	

Sub-principles (in bold) and behaviours and actions that demonstrate good governance		Systems/processes/documentation demonstrating compliance	Issues to be addressed, target date and Officer responsible
<b>Sustainable economic, social and environmental benefits</b>			
6.	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	<ul style="list-style-type: none"> <li>Capital investment is structured to achieve appropriate life spans and adaptability for future use or that resources (eg land) are spent on optimising social, economic and environmental wellbeing: <ul style="list-style-type: none"> <li>Capital programme</li> <li>Capital investment strategy (MTFS)</li> </ul> </li> </ul>	
7.	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	<ul style="list-style-type: none"> <li>Discussion between Members and Officers on the information needs of Members to support decision making</li> <li>Record of decision making and supporting materials</li> </ul>	
8.	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	<ul style="list-style-type: none"> <li>Record of decision making and supporting materials</li> <li>Protocols for consultation</li> </ul>	
9.	Ensuring fair access to services	<ul style="list-style-type: none"> <li>Equality and Diversity Steering Group ensure fair access and statutory guidance is followed</li> </ul>	

<b>Principle D</b> Determining the interventions necessary to optimise the achievement of the intended outcomes			
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
<b>Determining interventions</b>			
1.	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> <li>• Discussion between Members and Officers on the information needs of Members to support decision making</li> <li>• Decision making protocols</li> <li>• Option appraisals</li> <li>• Agreement of information that will be provided and timescales</li> </ul>	
2.	Considering feedback from citizens and service users when 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	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Medium Term Financial strategy</li> <li>• Asset management plan</li> </ul>	
<b>Planning interventions</b>			
3.	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> <li>• Calendar of dates for developing and submitting plans and reports that are adhered to</li> </ul>	
4.	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none"> <li>• Consultation protocol</li> <li>• Budget Consultation</li> <li>• Council Tax Reduction consultation</li> </ul>	
5.	Considering and monitoring risks facing each partner when working collaboratively including shared risks	<ul style="list-style-type: none"> <li>• Partnership framework</li> <li>• Risk management protocol</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
6.	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	<ul style="list-style-type: none"> <li>Planning protocols</li> </ul>	
7.	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	<ul style="list-style-type: none"> <li>KPIs have been established and approved for each service element and included in the service plan and are reported upon regularly</li> </ul>	
8.	Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> <li>Reports include detailed performance results and highlight areas where corrective action is necessary</li> </ul>	
9.	Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> <li>Evidence that budgets, plans and objectives are aligned through Corporate Plan and MTFS</li> </ul>	
10.	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	<ul style="list-style-type: none"> <li>Budget guidance and protocols</li> <li>Medium term financial strategy</li> <li>Corporate plans</li> </ul>	
<b>Optimising achievement of intended outcomes</b>			
11.	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> <li>Feedback surveys and exit/decommissioning strategies</li> <li>Changes as a result</li> </ul>	
12.	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	<ul style="list-style-type: none"> <li>Budgeting guidance and protocols</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
13.	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	<ul style="list-style-type: none"> <li>• MTFS</li> </ul>	
14.	Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes"	<ul style="list-style-type: none"> <li>• Revised Procurement Procedure Rules</li> </ul>	<p>The guidance suggests that the Council's Service plans demonstrate consideration of 'social value' and that the achievement of 'social value' is monitored and reported upon. The Council is part of the East Sussex Procurement Hub and an outstanding piece of work is to produce a revised Procurement Strategy for the member Councils. It is expected this will be completed in 2017 and will ensure a consistent approach to social value in procurement decisions.</p> <p>Service Manager Finance and Welfare. December 18.</p>



<b>Principle E</b> Developing the entity's capacity including the capability of its leadership and the individuals within it			
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
<b>Developing the entity's capacity</b>			
1.	Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	<ul style="list-style-type: none"> <li>Regular reviews of activities, outputs and planned outcomes</li> </ul>	
2.	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> <li>Utilisation of research and benchmarking exercise</li> </ul>	
3.	Recognising the benefits of partnerships and collaborative working where added value can be achieved	<ul style="list-style-type: none"> <li>Effective operation of partnerships which deliver agreed outcomes</li> <li>Devolution of services to parish and town councils</li> </ul>	
4.	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> <li>Workforce plan</li> <li>Organisational development plan</li> </ul>	The Council's workforce plan is currently under review and will be reported to Members in 2017. Service Manager Corporate and HR
<b>Developing the capability of the entity's leadership and other individuals</b>			
5.	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	<ul style="list-style-type: none"> <li>Job descriptions</li> <li>Head of Paid Service and leader pairings have regular briefings that maintain effective communication</li> <li>Cabinet briefing days.</li> </ul>	
6.	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<ul style="list-style-type: none"> <li>Scheme of delegation reviewed at least annually in the light of legal and organisational changes</li> <li>Standing orders and financial regulations which are reviewed on a regular basis</li> </ul>	

Sub-principles (in bold) and behaviours and actions that demonstrate good governance	Systems/processes/documentation demonstrating compliance	Issues to be addressed, target date and Officer responsible
7. Ensuring the leader and the Head of Paid Service have clearly defined and distinctive leadership roles within a structure whereby the Head of Paid Service leads the authority 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	<ul style="list-style-type: none"> <li>• Clear statement of respective roles and responsibilities and how they will be put into practice is contained in the Council's constitution</li> </ul>	
8. Developing the capabilities of Members and senior management to achieve effective shared 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:	<ul style="list-style-type: none"> <li>• Access to update courses/ information briefings on new legislation</li> <li>• Continued commitment to and Award of the South East Charter for Elected Member Development since 2007</li> </ul>	
<ul style="list-style-type: none"> <li>– 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</li> </ul>	<ul style="list-style-type: none"> <li>• Induction programme</li> <li>• Personal development plans Officers</li> <li>• Training Needs Analysis for Members undertaken every two years</li> </ul>	
<ul style="list-style-type: none"> <li>– ensuring Members and Officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</li> </ul>	<ul style="list-style-type: none"> <li>• Members have received training to enable them to: <ul style="list-style-type: none"> <li>– scrutinise and challenge</li> <li>– recognise when outside expert advice is required</li> <li>– promote trust</li> <li>– work in partnership</li> <li>– lead the organisation</li> <li>– act as a community leader</li> </ul> </li> <li>• Efficient systems and technology</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
	<ul style="list-style-type: none"> <li>– ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul>	<ul style="list-style-type: none"> <li>• Arrangements for succession planning</li> <li>• Regular management training courses</li> <li>• Senior Officer reviews of Appraisals</li> </ul>	
9.	Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> <li>• Citizens panels</li> <li>• Key Stakeholder forums terms of reference. This is based on common activities. E.g. Health and Housing Sub group.</li> <li>• Strategic partnership frameworks</li> </ul>	
10.	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> <li>• Reviewing individual Member performance on a regular basis taking account of their attendance and considering any training or development needs</li> <li>• Peer reviews</li> </ul>	
11.	Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> <li>• Training and development plan</li> <li>• Staff development plans linked to appraisals</li> <li>• Implementing appropriate human resource policies and ensuring that they are working effectively</li> <li>• Taking action when necessary to deal with poor performance</li> </ul>	
12.	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> <li>• Human resource policies</li> </ul>	

<b>Principle F</b> Managing risks and performance through robust internal control and strong public financial management		
<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>
<b>Managing risk</b>		<b>Issues to be addressed, target date and Officer responsible</b>
1.	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Business continuity plan</li> <li>• Business Continuity and Civil emergency exercises</li> </ul>
2.	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> <li>• Risk management strategy/ policy formally approved and adopted and reviewed and updated on a regular basis</li> </ul>
3.	Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> <li>• Risk management strategy</li> <li>• Risk Register</li> </ul>
<b>Managing performance</b>		
4.	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<ul style="list-style-type: none"> <li>• Performance map showing all key activities have performance measures</li> <li>• Benchmarking information</li> <li>• Cost performance</li> <li>• Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</li> </ul>
5.	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<ul style="list-style-type: none"> <li>• Discussion take place between Members and Officers on the information needs of Members to support decision making</li> <li>• Publication of agendas and minutes of meetings on website</li> <li>• Agreement on the information that will be needed and timescales</li> </ul>

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
6.	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	<ul style="list-style-type: none"> <li>• The role and responsibility for scrutiny has been established and is clear</li> <li>• Agenda and minutes of scrutiny meetings</li> <li>• Evidence of improvements as a result of scrutiny</li> <li>• Terms of reference</li> <li>• Training for Members</li> <li>• Membership</li> <li>• Annual Scrutiny work planning meeting</li> </ul>	
7.	Providing Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> <li>• Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</li> </ul>	
8.	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements )	<ul style="list-style-type: none"> <li>• Financial standards, guidance</li> <li>• Financial Procedure Rules and Procurement Procedure Rules</li> </ul>	
<b>Robust internal control</b>			
9.	Aligning the risk management strategy and policies on internal control with achieving the objectives	<ul style="list-style-type: none"> <li>• Risk management strategy</li> <li>• Audit plan</li> <li>• Audit reports</li> </ul>	
10.	Evaluating and monitoring the authority's risk management and internal control on a regular basis	<ul style="list-style-type: none"> <li>• Risk management strategy/ policy has been formally approved and adopted and is reviewed and updated on a regular basis</li> </ul>	
11.	Ensuring effective counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> <li>• Fraud and anti-corruption strategy.</li> </ul>	A Counter Fraud strategy will be developed to ensure compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014). Internal Audit Manager March 18

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
12.	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> <li>• Effective internal audit service is resourced and maintained</li> </ul>	
13.	Ensuring an audit committee or equivalent group or 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	<ul style="list-style-type: none"> <li>• Audit &amp; Standards Committee complies with best practice.</li> <li>• Terms of reference</li> <li>• Membership</li> <li>• Training</li> </ul>	Member training will be delivered during 2017/18. March 2018
<b>Managing data</b>			
14.	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> <li>• Data management framework and procedures</li> <li>• Designated data protection officer</li> <li>• Data protection policies and procedures</li> </ul>	Review of current arrangements is required to ensure compliance with the General Data Protection Regulation which comes into force in May 2018. Service Manager Corporate and HR September 2017
15.	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> <li>• Data sharing agreement where appropriate. E.g DWP</li> <li>• Data sharing register</li> <li>• Data processing agreements</li> </ul>	
16.	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> <li>• Data quality procedures and reports</li> <li>• Data validation procedures</li> </ul>	
<b>Strong public financial management</b>			
17.	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> <li>• Financial management supports the delivery of services and transformational change as well as securing good stewardship</li> </ul>	

<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
18.	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<ul style="list-style-type: none"> <li>Budget monitoring reports</li> </ul>	

**Principle G** Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub-principles (in bold) and behaviours and actions that demonstrate good governance		Systems/processes/documentation demonstrating compliance	Issues to be addressed, target date and Officer responsible
Implementing good practice in transparency			
1.	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"><li>• Website</li><li>• Annual report</li></ul>	
2.	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand		
Implementing good practices in reporting			
3.	Reporting at least annually on performance, value for money and the stewardship of its resources	<ul style="list-style-type: none"><li>• Formal annual report which includes key points raised by external scrutineers and service users' feedback on service delivery</li><li>• Annual financial statements</li></ul>	
4.	Ensuring Members and senior management own the results	<ul style="list-style-type: none"><li>• Appropriate approvals</li></ul>	
5.	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement)	<ul style="list-style-type: none"><li>• Annual Governance Statement</li></ul>	



<b>Sub-principles (in bold) and behaviours and actions that demonstrate good governance</b>		<b>Systems/processes/documentation demonstrating compliance</b>	<b>Issues to be addressed, target date and Officer responsible</b>
6.	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> </ul>	
7.	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	<ul style="list-style-type: none"> <li>Format follows best practice</li> </ul>	
<b>Assurance and effective accountability</b>			
8.	Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> <li>Recommendations have informed positive improvement</li> <li>Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2010)</li> <li>Compliance with Public Sector Internal Audit Standards</li> </ul>	
9.	Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon		
10.	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> <li>Recommendations from internal audit external peer have informed positive improvement</li> </ul>	
11.	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> </ul>	
12.	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	<ul style="list-style-type: none"> <li>Community strategy</li> </ul>	

