

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

CORPORATE GOVERNANCE AUDIT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To report the outcome of the Corporate Governance audit work.
- 1.2 To approve the revised Local Code of Corporate Governance.
- 1.3 The key points in this report are as follows:
 - Internal Audit conducts an annual review of corporate governance arrangements. This is an evaluation of council's practices against the best practice framework produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
 - the council first adopted a Local Code of Corporate Governance in 2002. It is reviewed as part of the annual audit and updated if necessary. The Code details the council's commitment to good corporate governance. It is publicised on the council's website and intralinc.
 - the review concluded that the council demonstrates good corporate governance through its policies and procedures
 - no aspects of the framework are entirely unmet. However improvements were identified which were agreed with key officers at the conclusion of the audit.

2. BACKGROUND INFORMATION

- 2.1 Internal audit has recently reviewed the adequacy of corporate governance arrangements. The review evaluated procedures, policies and practices at North Lincolnshire Council against the best practice framework recently revised by CIPFA/SOLACE.
- 2.2 The review was at a high level. It examined independent inspection reports, including the Comprehensive Performance Assessment (CPA) Corporate Assessment (October 2007), strategies, policies, and recent

internal audit work. Discussions took place with key staff, and evidence was obtained to substantiate these discussions. Appendix A shows a summary of the results.

- 2.3 The audit work concluded that the council has adequate procedures and policies in place to show good corporate governance. Development work for further improvement is underway. No aspects of the 57 requirements that make up the framework are entirely unmet. Ten requirements are partially met and will be fully addressed through five agreed actions that will be included in the refresh of the council's Strategic Plan.
- 2.4 The Local Code of Corporate Governance has been reviewed as part of the audit review and updated accordingly. The Code includes details of the council's commitment to good corporate governance, and includes examples of the good practice arrangements that are in place.
- 2.5 The revised Code is attached at Appendix B; and includes only minor changes to strengthen the council's governance arrangements. The Code, when approved, is publicised on the council's website and IntraLink.

The Code includes the following principles as set out in the Corporate Governance framework:

Core 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

- 2.6 The main requirements of this principle are met and work is ongoing to enhance understanding of the council's vision.
- 2.7 Work to improve corporate governance arrangements in partnerships will continue. The toolkit developed to evaluate partnerships has been applied to the strategic partnerships and will be applied to the service led partnerships that Service Directors identify as strategic. The need to develop partnership arrangements will be included in the Strategic Plan action plan, currently being refreshed. This work will then ensure that partnership working for the delivery of services meets the core principles 1, 2 and 3 requirements set out in the revised framework.
- 2.8 As a result of the 2005/06 Corporate Governance audit an annual report comprising financial and performance data was produced, and has been produced each year. The 2008 annual report will include an analysis of the council's environmental footprint, in line with the revised 2008 CPA Use of Resources Key Lines of Enquiry (KLOE).
- 2.9 This principle includes the requirement for service quality measures, and there are a number of effective arrangements in place. The role of Scrutiny in performance management is being developed which will further enhance the current arrangements.

- 2.10 The CPA assessment highlighted the need to review the complaints process and strengthen the performance role of Scrutiny. The complaints process has recently been reviewed and will be relaunched and work is ongoing with the Scrutiny co-ordinating Panel to develop the role of Scrutiny in performance.

Core Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles

- 2.11 Member/officer relations are detailed in the Constitution, but the CPA Corporate Assessment highlighted that some councillors and officers are not always clear on their roles and responsibilities. The Strategic Plan action plan refresh will include actions to develop leadership which will address this.

Core Principle 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- 2.12 The development work in partnerships referred to at 2.7 will ensure that values and good governance arrangements will reflect those in place within the council which have been assessed as effective as part of this review.

Core Principle 4 Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk

- 2.13 The Anti Fraud, Theft and Corruption Strategy has been revised, approved and promoted. Work is ongoing to ensure that arrangements in place, including the strategy, meet best practice requirements to counter fraud as set out in the CIPFA publication, Managing the Risk of Fraud – Actions to Counter Fraud and Corruption. A report of the review is presented to the Audit Committee to consider elsewhere on this agenda.
- 2.14 As highlighted at 2.10 work is ongoing to improve the complaints processes and the performance role of Scrutiny, a requirement also of this core principle.

Core Principle 5 Developing the capacity and capability of members and officers to be effective

- 2.15 The framework includes a requirement to review performance of the Executive as a whole and individual members using the performance management framework. This was an agreed action after last years audit and is currently in progress.
- 2.16 The CPA Corporate Assessment highlighted the need to improve the councillor's strategic role, and provide sufficient training and support to develop skills in strategic thinking and partnership working. The capacity of the Executive Management Team was also reported as stretched with the current vacancy. The Strategic Plan refresh includes

actions to develop leadership and consider capacity which will address both these issues.

Core Principle 6 Engaging with local people and other stakeholders to ensure robust accountability

2.17 All requirements for this principle are considered to be met.

3 OPTIONS FOR CONSIDERATION

3.1 Options are limited in this type of report. Audit committee are invited to consider the Code of Corporate Governance and evaluation matrix and seek clarification as necessary.

4. ANALYSIS OF OPTIONS

4.1 The Corporate Governance framework demonstrates best practice as defined by the CIPFA/SOLACE and therefore defines standards the council should achieve and aim towards. Inappropriate consideration may result in inadequate professional standards being met and poor inspection results. In particular, inadequate arrangements would be reflected in the Annual Governance Statement, which is published with the council's accounts and, forms part of the CPA Use of Resources assessment.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Good corporate governance will contribute to the effective stewardship of resources and ensures that the council's assets are safeguarded and value for money is achieved.

5.2 Compliance with best practice will ensure a high standard of conduct from staff.

5.3 There are no property or IT implications.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 – CRIME AND DISORDER, RISK AND OTHER)

6.1 Assessment against the best practice framework provides assurance and assists the Chief Financial Officer and Monitoring Officer to fulfil their statutory duties under the provisions of the Local Government Act 1972.

7. OUTCOMES OF CONSULTATION

7.1 The audit findings were discussed with key officers of the council.

8. RECOMMENDATIONS

- 8.1 The revised Local Code of Corporate Governance is approved.
- 8.2 The evaluation matrix is noted.

SERVICE DIRECTOR FINANCE

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Background Papers used in the preparation of this report
Internal audit report on Corporate Governance

CORPORATE GOVERNANCE EVALUATION MATRIX

Core Principle 1 Focussing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
 (a) Exercising strategic leadership by developing and clearly communicating the authority’s purpose and vision and it’s intended outcome for citizens and service users
 (b) Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning
 (c) Ensuring that the authority makes best use of it’s resources and that tax payers and service users receive excellent value for money

Local code should reflect the requirement to:	North Lincolnshire’s Position	Evaluation
(a1) Develop and promote the authority’s purpose and vision	<p>The council sets its objectives after extensive consultation with all its stakeholders. There is a three-year Strategic Plan, refreshed annually entitled ‘Going Forward Together’. The plan explains the council’s vision, and priorities for improvement. The drivers behind the plan are the revised council ambitions – four of which are shared with the North Lincolnshire Strategic Partnership and four of which are internal council ambitions.</p> <p>Three year service delivery plans, refreshed annually integrate all key council planning processes and making explicit the service delivery contribution to the council’s internal and shared ambitions. The planning process identifies the contribution services and individuals have in achieving the shared vision through the Sustainable Community Strategy. The Strategy will be reviewed to reflect</p>	<p>Criteria met</p> <p>Although a longer term project is planned to review the enhance the understanding of community’s and stakeholders of the council’s vision</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>the second generation Local Area Agreement .</p> <p>The Local Area Agreement was implemented from April 2007 and is reviewed annually. A new framework will be introduced from June 2008 to ensure the delivery of local and national priorities.</p>	
(a2) Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements	<p>National developments and local change is continually monitored significant requirements are incorporated into revisions of the Strategic Plan. The council's governance arrangements are reviewed annually against best practice CIPFA/SOLACE matrix, and the Local Code of Corporate Governance is reviewed if the review highlights any changes are required. The Audit Committee approves the assessment and the revised code, the Annual Governance Statement and the CPA Use of Resources assessment.</p> <p>The vision for the area is contained within the Sustainable Community Strategy, which was developed in 2002 and is reviewed regularly, the last review was conducted in 2006 but a review is planned for summer 2008 to reflect the LAA requirements currently being agreed. The strategy is, and will continue to be, in line with the shared ambitions and is an integral part of the council's formal policy framework.</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>A longer term project is planned to enhance the understanding of community's and stakeholders of the council's vision.</p> <p>The Local Area Agreement is reviewed frequently.</p>	
<p>(a3) Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.</p>	<p>The Local Strategic Partnership (LSP) has a common vision, understood and agreed by all partners, with high level representation of major organisations within the area. Changes in personnel means there is further work required on promoting understanding of the vision and ambitions.</p> <p>The council has shared ambitions developed with partners, forming the basis of the targets and milestones within the Sustainable Community Strategy and will be delivered by the LAA, and other local actions.</p> <p>Partnership protocols and governance arrangements are being developed. A toolkit has been drafted and is in the process of being agreed. The toolkit will form part of a partnership pack. Internal Audit reviewed the approach being taken to confirm that all CPA and Corporate Governance criteria for partnership working would be met through the implementation of the agreed actions contained within the audit report.</p>	<p>Criteria partially met</p> <p>The toolkit and the partnership pack recently developed have yet to be applied to all existing partnerships</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
<p>(a4) Publish an annual report on a timely basis to communicate the authority's activities and achievements, it's financial position and performance</p>	<p>The Strategic Plan sets out the activities that need to be achieved to meet the vision and ambitions. Performance against the Strategic Plan is monitored and reported, using the Performance Management System (PMS).</p> <p>An Annual Report, summarising financial performance and achievements in the year has been produced and is on the council website, it will be extended to include an analysis of the council's environmental footprint a requirement of the amended 2008 CPA Use of Resources KLOE's.</p> <p>Financial information, including performance information, is published in the council's Direct Magazine. In April 2008 a questionnaire was introduced to encourage feedback and participation. The results were generally positive.</p> <p>Annual Financial Statements are compiled and published to timetable. They include External Audit's opinion of matters arising from the accounts and the Annual Audit & Inspection Letter.</p>	<p>Criteria met</p> <p>The annual report will reflect the new CPA requirement to include an analysis of the council's environmental footprint</p>
<p>(b1) 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. The Authority must ensure that the information is reflected in a corporate plan, medium</p>	<p>The council reports on performance publicly through the Strategic Plan The report recognises the link between the council's strategy and performance and includes Best Value Performance Indicator results.</p> <p>Work is being carried out to ensure that quality data is being captured for the revised performance indicators</p>	<p>Criteria partially met</p> <p>Terms of reference for the Corporate Performance Working Group will be written</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
reflected in a corporate plan, medium term strategy and resourcing plan in order to ensure improvement	<p>captured for the revised performance indicators.</p> <p>'Performing Together' is the council's performance management framework. This sets out the council's model for planning, achieving and reviewing performance. Performance targets are reviewed quarterly at a corporate level and by services to ensure key service delivery targets are monitored and appropriate action is taken where necessary.</p> <p>Quarterly Performance Reviews (QPR) at service and corporate level are a key method for reviewing progress towards ambitions and priorities in the service plan and the council's strategic plan. Performance Improvement Panels (PIPs) act as a catalyst for performance improvement activities. The council's Performance Working Group monitors performance and ensures performance management arrangements are taking place. Agendas and minutes are produced for all meetings</p> <p>In addition:</p> <ul style="list-style-type: none"> • The results of external inspections are addressed to ensure continual improvement. It was agreed as part of last years review that a central library of inspection reports would be established, and that the PMS could be used to track progress. Actions from recent reports are being built into the review of the Strategic Plan, and this was recently reported to Cabinet • Scrutiny Committees have a strengthened role in 	PI's for the scrutiny are being developed along with the role of scrutiny in performance management

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>scrutinising policy (through a work programme of policies) and performance with a focus on those areas that are not performing well. PI's for Scrutiny are currently being developed</p> <ul style="list-style-type: none"> • The Value for Money Board considers efficiency in service delivery, and receives reports on VFM work. • The Annual Governance Statement (AGS) includes a section on performance management that evaluates the council's arrangements. 	
(b2) Put in place effective arrangements to identify and deal with failure in service delivery	<p>QPR processes highlight poor performance. Action plans are developed to highlight recovery action required and progress is monitored.</p> <p>The corporate QPR and PIP review significant issues highlighted in service QPR's and cross cutting issues. Scrutiny committees can also review performance issues, this role is being developed.</p> <p>Performance can also be reviewed specifically through:</p> <ul style="list-style-type: none"> • The AGS/Use of Resources group review the implications of poor internal control • Inspections regimes highlight poor performance. • The VFM team follow up poor results on the Use of Resources for VFM • The views of services users are invited through: <ul style="list-style-type: none"> • The complaints process, this has recently been 	<p>Criteria partially met</p> <p>The role of Scrutiny in performance management is being developed.</p> <p>The revised complaints process has been reviewed and will be relaunched</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>reviewed and continues to be developed</p> <ul style="list-style-type: none"> • The Annual survey of residents highlights poor satisfaction with services which is reported and addressed • Each service carries out an annual satisfaction survey. 	
<p>(c1) 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 is available. Measure the environmental impact of policies, plans and decisions.</p>	<p>The council ensures value for money and continuous improvement in service delivery through its performance management processes and service-planning framework. The Value for Money (VFM) Board has been instrumental in the development of the service planning and performance management arrangements to ensure VFM is properly considered through Quarterly Performance Reviews. The Performance Improvement Panel, an Officer/Member panel, reviews poor and declining performance.</p> <p>VFM work is closely aligned with the council's financial planning arrangements to meet the challenge of budget and efficiency savings the council faces. The Strategic Procurement and VFM Manager leads on this agenda to apply a service delivery and commissioning challenge to large-scale projects. Progress is reported through the VFM board to the Council Management Team, Cabinet and the Audit Committee.</p>	<p>Criteria met</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>VFM is now integrated into service plans and is considered in decision-making reports to Members including changes, to policies or plans.</p> <p>Performance targets with partners are detailed in the Strategic Plan. Lead officers are assigned to each project and they report progress back through the QPR process.</p>	

Core Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles

(a) Ensuring effective leadership throughout the authority by being clear about executive functions and of the roles and responsibilities of the scrutiny function

(b) Ensuring that a constructive working relationship exists between elected Members and officers and that the responsibilities of authority Members and officers are carried out to a high standard

(c) Ensuring relationships between the authority and the public are clear so that each know what to expect of the other.

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(a1) Set out a clear statement of the respective roles and responsibilities of the Executive and of the Executives' Members individually and the authority's approach towards putting this into practice	<p>The Constitution is updated and published regularly and sets out the role and responsibilities of each of the cabinet Members and the executive. It also details the specific role of the leader and his responsibility to set up the functions of the Executive Members.</p> <p>The council has adopted the new revised Members Code of Conduct, which is included in the constitution</p> <p>Corporate governance arrangements are reviewed each year and included in the Annual Governance Statement and the CPA Use of Resources assessment</p>	Criteria met
(a2) Set out a clear statement of the respective roles and responsibilities of other authority Members, Members generally and of senior Members	The Constitution sets out clearly the respective roles and responsibilities of Members and officers.	<p>Criteria met</p> <p>The strategic plan refresh includes actions to develop leadership</p>
(b1) Determine a scheme of delegated 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 updated	As above and the Delegations to Officers and Appointment of Proper Officers.	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
and monitored when required		
(b2) Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management	<p>The Constitution sets out the functions of the Chief Executive as Head of Paid Service. Delegations to Officers and Appointment of Proper Officers show the functions that are delegated to senior management.</p> <p>Job descriptions and personal specifications detail responsibilities and conditions of employment.</p>	Criteria met
(b3) Develop protocols to ensure that the leader and the chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	<p>The Constitution sets out the role of the executive. Weekly meetings of the Chief Executive, Deputy Chief Executive, Leader, Deputy Leader and Group Secretary (the leadership team) take place. Meetings with the opposition take place as and when necessary.</p>	Criteria met
(b4) Make a senior officer (usually the S151 officer) responsible to the authority for ensuring appropriate advice is given on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control	<p>The Constitution details the functions of the Chief Finance Officer (Service Director Finance) and in the Delegations to Officers and Appointment of Proper Officers. Section 151 responsibilities are documented in the Financial Regulations.</p> <p>Job descriptions and personal specifications detail responsibilities and conditions of employment.</p>	Criteria met
(b5) Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	<p>The Constitution and Delegations to Officers and Appointment of Proper Officers detail the role and responsibilities of the Monitoring Officer. This is detailed in job description of the Service Director Legal and Democratic Services.</p>	Criteria met
(c 1) Develop protocols to ensure effective communication between councillors and officers in their respective roles	<p>The Constitution promotes good Member and officer relations.</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(c2) 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)	<p>Remuneration arrangements are contained within the Constitution. The Members Handbook also details allowance procedures.</p> <p>Member's allowances are reviewed by the remuneration panel and claims procedures are audited regularly. Officer remuneration is determined through job evaluation and based on national pay scales. Remuneration processes are reviewed regularly.</p>	Criteria met
(c3) Ensure that effective mechanisms exist to monitor service delivery	Refer to Core Principle 1 b1 for a full explanation of the performance management framework.	Criteria met
(c4) Ensure that the organisations 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	<p>The Council wide Communication Strategy sets out how the council will engage with stakeholders and how information is communicated. Council vision and ambitions are communicated widely to staff through Intralinc updates, council wide communications and staff newsletters etc.</p> <p>The council's Sustainable Community Strategy has been developed following extensive consultation and is published in the council's monthly Direct magazine. Action plans are produced and monitored. Progress made is reported each year to the Strategic Partnership, Members and senior officers. Copies of this document are available to the public. The Annual Household Survey measures perceptions on the progress of the Strategy.</p> <p>The Strategic Plan was developed with partner consultation on the shared ambitions. The Public Engagement Framework has been updated to anticipate changes required in the Local Government White Paper.</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
<p>(c5) 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</p>	<p>Role descriptors are in place for the LSP board Members. A register of interests is maintained.</p> <p>Partnership protocols and governance arrangements are being developed. A toolkit has been drafted and is in the process of being agreed the toolkit will form part of a partnership pack. Internal Audit reviewed the approach being taken to confirm that all CPA and Corporate Governance criteria for partnership working would be met through the implementation of the internal audit report agreed actions.</p>	<p>Criteria partially met</p> <p>The toolkit and the partnership pack recently developed have yet to be applied to all existing partnerships</p>
<p>(c6) When working in partnership, ensure that there is clarity about the legal status of the partnership, and ensure that representatives or organisations make clear to all other partners the extent of the authority to bind their organisation partner decisions</p>	<p>The legal status of the partnerships within the Local Strategic Partnership is clearly defined. Similar arrangements exist with other key partnerships but this needs to be applied to other partnerships, and this will be done through the implementation of the partnership toolkit.</p> <p>Progress is underway to place a number of partnership arrangements with external organisations on a procurement basis, as appropriate, Service Level Agreements will be in place for these corporately funded voluntary organisations, for example VANL's and CAB's.</p>	<p>Criteria partially met</p> <p>The toolkit and the partnership pack recently developed have yet to be applied to all existing partnerships</p>

Core Principle 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

(a) Ensuring authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

(b) Ensuring that organisational values are put into practice and are effective

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
<p>(a1) Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</p>	<p>The council's core values drive the tone of the organisation. These have recently been underpinned by a new Leadership and Management Development framework, which identifies the competencies, and behaviours the organisation wants to support them.</p> <p>The approved senior management structure is in the Constitution. The Delegations to Officers and Appointment of Proper Officers confirms the roles and responsibilities of the senior management structure.</p> <p>Various teams are in place to ensure Effective Leadership is driven through various senior management groups such as:</p> <ul style="list-style-type: none"> • Leadership Team • Executive Management Team • Council Management Team • Quarterly managers briefings and SMT conferences <p>Senior managers job descriptions include corporate and personal responsibilities and incorporate the council's organisational cultural model including effective leadership and mutual respect. The annual Points of View survey ascertains staff views on various issues including the effectiveness of leadership and identifies areas for improvement. The results are summarised and action plans are produced for service areas.</p>	<p>Criteria met</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
<p>(a2) 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 community are confined and communicated through codes of conduct and protocols</p>	<p>Standards of conduct and personal behaviour are set out in the following:</p> <ul style="list-style-type: none"> • The Members Code of Conduct, based on the National Code, was adopted by the council on 23 May 2007. The Constitution also refers to the Code • Employee Code of Conduct was introduced in 2004, and distributed to all employees, and it now forms part of every new employees terms and conditions, and is referred to in the employee handbook • The Pecuniary Interests register is in place and is reviewed. • The Council has an Anti Fraud, Theft and Corruption Strategy, which was reviewed, published and promoted throughout the council. • The Complaints process which was recently reviewed and developed • Strategic Plan performance is reviewed through service planning • Individual performance is reviewed through annual employee development reviews, including the achievement of personal action plans and training plans. In some areas the PMS system is used to monitor progress against the plans • Annual Monitoring Officer report on Conduct of Members 	<p>Criteria met</p>
<p>(a3) Put in place arrangements to ensure that Members and employees of the authority are not influenced by prejudice, bias or conflict of interest in dealing with different stakeholders and put into place appropriate processes to</p>	<p>Arrangements include:</p> <ul style="list-style-type: none"> • The Constitution and Codes of Conduct set out the requirement for Members and officers to declare any personal or personal and prejudicial interests, and there is a policy for acceptance of gifts and hospitality • Job application forms require applicants to detail any 	<p>Criteria met</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
ensure they continue to operate in practice	<p>relationship to senior officers or Members of the council. This requirement is incorporated in the written statement of particulars of employment and forms part of the contract for all new employees</p> <ul style="list-style-type: none"> • Contract Procedure Rules and Financial Regulations set out the council's arrangements and ensure that processes continue to operate consistently. The Finance Manual (recently revised) and summary pocket guide are available 	
(b1) Develop and maintain shared values including leadership values both for the organisation and its staff reflecting public expectations, and communicate these to Members, staff, the community and partners	The council has had core values since 1996. These have been reviewed and simplified in line with the council's revised frameworks to We Care We Value, We Achieve following wide engagement of staff, Members, etc. An Employee Handbook has been introduced and distributed and is now part of the induction process for every new employee.	Criteria met
(b2) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and to monitor their continuing effectiveness in practice	<p>The council has various policies and procedures to ensure adherence to ethical standards e.g:</p> <ul style="list-style-type: none"> • Human Resources Policies • Members Code of Conduct, - compliance is monitored through regular reviews ie for Members and reported through the Annual Monitoring Report • Code of Conduct for officers 	Criteria met
(b3) Develop and maintain an effective standards committee which acts as the main means to raise awareness and take the lead in ensuring high standards of conduct are firmly embedded within the local culture	Standards Committee meets regularly. The role of the Standards Committee (including terms of reference) are set out in the Constitution, and recent changes in legislation are being consulted upon.	Criteria met
(b4) Use the organisations shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships	The values are embedded through key supporting frameworks – We Care drives our customer service standards. We Value drives our Corporate Diversity Plan and our Human Resource Strategy Valuing People. We	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
within the authority	Achieve drives Performing Together our Performance Management Framework.	
(b5) In pursuing the vision of the 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	The LSP has a set of core principles - which are Partnership Working; Transparent Decision Making ; Public Accountability and Equal Opportunity. These are an integral part of all LSP frameworks. Partnership protocols and governance arrangements are being developed. A toolkit has been developed and forms part of a partnership pack. Internal Audit reviewed the approach being taken to confirm that all CPA and Corporate Governance criteria for partnership working would be met through the implementation of the internal audit report agreed actions	Criteria partially met The toolkit and the partnership pack recently developed have yet to be applied to existing partnerships

Core principle 4 Taking informed and transparent decisions which are subjective to effective scrutiny and managing risk
 (a) Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
 (b) Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
 (c) Ensuring that effective risk management system is in place
 (d) Using their legal powers to fulfil benefit of the citizens and communities in their area

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(a1) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible	<p>Terms of reference have been developed for Scrutiny Committees. The role of Scrutiny is set out in the Constitution, including the performance monitoring role. Scrutiny Committees also have a role to scrutinise:</p> <ul style="list-style-type: none"> • Policy or performance including issues arising from Audit or Inspection reports. The Role of Scrutiny in performance monitoring is being enhanced. • Partnership working. <p>A self evaluation assessment based on the Centre for Public Scrutiny model has been carried out and an action plan of recommendations has been reported to cabinet</p> <p>Guidance for the new Local Government Public Involvement in Planning Act 2007 is being considered</p>	<p>Criteria partially met</p> <p>The role of Scrutiny in performance management is being developed</p>
(a2) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	<p>Delegations to Officers and Appointment of Proper Officers in the Constitution set out the levels and the process that should be followed in decision making.</p> <p>The format of decision-making reports ensure that all relevant information is considered such as resource, risk management, legislative issues etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information.</p> <p>Reports and minutes of issues under Member</p>	<p>Criteria met</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	consideration that can be made public are shown on the website, and are published in hard copy in a variety of formats.	
(a3) Put in place arrangements to safeguard Members and employees against conflicts and put in place appropriate processes to ensure that they continue to operate in practice	<p>The Constitution requires that Members and officers declare any personal or personal and prejudicial interests.</p> <p>The codes specify that Members and officers must register their financial and other interests. They must also register any gifts or hospitality accepted in accordance with council policy. Declarations of interests are recorded at all Member meetings.</p> <p>Declarations of interests are regularly raised on an individual basis with the Monitoring Officer and enquiries are received from employees about their position. The Monitoring Officer produces an Annual Report on Members Conduct.</p> <p>Job application forms require applicants to give details of any relationship to senior officers or Members of the council. This requirement is incorporated in the written statement of particulars of employment and the Officers Code of Conduct that has been issued to all existing staff and forms part of the contract for all new employees.</p>	Criteria met
(a4) Develop and maintain an effective audit committee which is independent of the Executive and scrutiny functions or make other arrangements for the discharge of these functions	The council's Audit Committee is in place, which is independent of the executive and scrutiny functions of the council. Terms of reference set out the remit of the Committee and a timetable of meetings is in place. The effectiveness of the audit committee has been reviewed, which was generally positive, and an action plan produced.	Criteria met
(a5) Ensure effective transparent and accessible arrangements for dealing with complaints	The complaints process has been reviewed, and is in the process of being approved and relaunched. There are a number of methods by which a customer can make a complaint. There is a specific contact for each service and	Criteria partially met. The revised complaints process

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>a two staged approach to dealing with complaints. The call centre is fully operational for direct contact by customers and an electronic form is on the website. The CRM system is being used to record the complaints received and the action taken. The Ombudsman report – was clear showing no maladministration Any complaints regarding Members behaviour referred to the Monitoring Officer for investigation and appropriate action</p>	<p>has been reviewed and will be relaunched</p>
<p>(b1) Ensure those making decisions whether for the authority or the partnership, are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</p>	<p>The roles and responsibilities set out in the Constitution ensure that decisions are taken at the correct level.</p> <p>All Members receive training. Continuous training is delivered in new areas and Members have personal portfolios for their individual development needs.</p> <p>Failure to make appropriate decisions is one of the council's Strategic Risks. One of the threats to the controls in place is poor data quality. Data quality is reviewed annually by External Audit against Key Lines of Enquiry and best practice</p> <p>Recent changes introduced to the format of cabinet and cabinet Member reports have resulted in greater clarity and focus for option analysis. Each decision report sets out the realistic options available to decision maker(s) and describes the respective merits of each of the options. This enables Members to have access to all relevant information to base decisions on. The report template ensures that resource, legislative, risk management,</p>	<p>Criteria met</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>diversity information etc. is provided to assist decision making.</p> <p>The timetable in place for report submissions ensures that information is received sufficiently in advance of the meeting at which decisions are to be taken. The council publishes well in advance details of key decisions that the cabinet and individual cabinet Members are due to consider in the forward plan.</p>	
(b2) Ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making and used appropriately	<p>There are well-established arrangements in place to ensure compliance with the council's Constitution, relevant laws, regulations etc. and that expenditure is lawful. Legal and financial advice is available. There are controls in place to ensure that all reports to Members have been formally considered for legal, financial, risk management issues etc. before presentation.</p>	Criteria met
(c1) Ensure that risk management is embedded into the culture of authority, with Members and managers at all levels recognising that risk management is part of their jobs	<p>The Strategic Risk Management Strategy, which is reviewed regularly, clearly sets out the council's approach to risk and is an integral part of the Annual Governance Statement.</p> <p>Risk management has been embedded at the council for a number of years and is championed by both officers and Members through the Strategic Risk Management Group (SRMG). The Group is made up of representatives from most services and the lead Member for risk management and minutes of meetings are produced.</p> <p>The council has continued to make good progress in developing its risk management arrangements. The SRMG has been instrumental in this process. Risk management is integrated in council policies and procedures for example:</p> <ul style="list-style-type: none"> • Member and officer training is provided • Strategic and operational risks are reviewed through the 	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>Quarterly Performance Reviews</p> <ul style="list-style-type: none"> • Strategic risks are mapped with the council's ambitions • Risk management arrangements in the procurement of strategic service or works contracts has been considered • Risk management is recognised as one of the generic skills criteria in workforce planning • Roles and responsibilities are highlighted through the distribution of posters, leaflets and an article in People magazine to raise awareness on risk management issues. <p>Risk management arrangements are evaluated as part of CPA Use of Resources as level 3 above minimum requirements.</p> <p><i>CPA Ref Risk management arrangements are good but recent floods highlighted deficiencies in the business continuity arrangements for IT. Lessons were learned from the floods.</i></p>	
(c2) Put in place arrangements for whistle blowing to which staff and all those contracting with or appointed by the authority have access	<p>The Anti Fraud, Theft and Corruption Strategy includes the Whistleblowers' Charter which incorporates appropriate safeguards to protect whistleblowers and details of the Public Interest Disclosure Act 1998.</p> <p>The whistle blowing policy is advertised on the council's web site and intranet. The whistle blower's hotline telephone details are publicised on the council's website, and the staff newsletter and leaflets and posters distributed to the main council offices and included on procurement/contract documentation.</p> <p>The confidential line is available to all staff and Members of the public, as is a confidential eForm, and is managed by the Internal Audit section.</p> <p>All calls are promptly acted upon and monitored to ensure they are fully investigated.</p>	<p>Criteria met</p> <p>The outcome of the CIPFA Counter fraud requirements will be reflected in the revised Anti Fraud Theft & Corruption (AFT&C) Strategy</p>

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(d1) Actively recognise the limits of lawful activity placed on them by ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities	<p>The Constitution states that the council will exercise all its duties in accordance with the law (Refer to Core Principle 2 b5, for the role of the Monitoring Officer).</p> <p>The Constitution, Delegations to Officers and Appointment of Proper Officers and Financial Regulations and Contract Procedure Rules (previously known as Contract Standing Orders) are reviewed and amended to reflect changes in regulations and working practices as a result of changes in service delivery.</p> <p>The Strategic Risk Management Strategy highlights the need to properly consider both positive and negative risks and that risks cannot be eliminated but identified and managed to an acceptable level. Positive risks (opportunities) as well as negative risks (threats) are considered as part of the analysis of options in the new format of decision-making reports.</p> <p>The Ombudsman report showed there were no cases of maladministration.</p>	Criteria met
(d2) Recognise the limits of lawful action and observe both the specific requirements of legislation and general responsibilities placed on authorities by public law	As above. The Local Government Act 2000 brought opportunity to use wellbeing powers to facilitate community improvement. These powers are recognised but there has been no need to apply them.	Criteria met
(d3) Observe all specific legislative requirements placed upon them, as well as the requirements of the general law, and in particular to integrate the key principles of good administrative law, rationality, legality and natural justice into their procedures and decision making processes	<p>The Constitution states that the council will exercise all its duties in accordance with the law and the Local Government Act The decision making process ensures natural justice and observes the key principles of administrative law, rationality and legality.</p> <p>The format of decision-making reports ensure that all relevant information is considered such as resource, risk management, legislative issues etc. There is also a tick box on reports to demonstrate all relevant services have been consulted, of which legal services is one.</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	Regulatory Committees have developed a reporting format which enables parties, to ensure all relevant concerns are placed before committee before decisions are made. Refer also to Core Principle 2 b5, for the role of the Monitoring Officer	

Core Principle 5 Developing the capacity and capability of Members and officers to be effective

- (a) Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles
- (b) Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group
- (c) Encouraging new talent for membership of the authority so that the best use can be made of individuals skills and resources in balancing continuity and renewal

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(a1) Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis	<p>Induction programmes are in place for officers; these are reviewed in line with Going Forward Together changes. Continual development is encouraged through the Learning and Development Policy and specific training is available through a Corporate Training Programme and a Leadership and Management Development framework, has been introduced.</p> <p>Full Member induction is carried out following elections, and an individual member induction process is now in place and used to support new members. The council has a Member development charter and access to regular development opportunities, by way of corporate training programmes and courses tailored towards topical issues. A Member development group has been established and consists of 2/3 Members from each political group, which leads the drive for continuous development.</p>	Criteria met
(a2) Ensure 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	<p>As above, and Delegations to officers confirm the roles and responsibilities of the senior management structure. Statutory requirements are incorporated in decision-making reports to Members.</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	Statutory duties are defined in relevant job descriptions. Work force planning is being implemented to identify skills gaps and inform training requirements.	
(b1) Assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	(see a1) and The Leader of each group determines individual Member requirements in their respective groups. Expertise and support has been enlisted from the council's Corporate Training and Development Unit. Each officer has an annual Employee Development Review Work force planning is being implemented to identify skills gaps and inform training requirements. A new Leadership and Management Development framework supports the competencies required by managers. Training and development evaluation takes place, Learning and Development Review Forms (LADAR) The council is currently achieving Investors in People through a service by service approach. This confirms good training and development arrangements are in place.	Criteria partially met Skills development work is ongoing with Members
(b2) Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	As above, and Members receive training on new issues and initiatives such as the Local Area Agreements. Specific external advice is sought as appropriate e.g. advice on Building Schools for the Future was sought through internal and external expertise of consultants.	Criteria met
(b3) Ensure that effective arrangements are in place for reviewing performance of the Executive as a whole and of individual Members and agreeing an action plan	The Executive Management arrangements have been reviewed and revised to meet future requirements. A review of effectiveness of the Executive as a whole and of individual Members was to be conducted before April 2008, this will now be in 2008/09.	Criteria partially met The review of the effectiveness of the Executive as a whole and of individual

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
which might for example aim to address any training or development needs		Members needs to be concluded
(c1) 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	<p>The council has shared ambitions developed with partners, they form the basis of the targets and milestones within the Sustainable Community Strategy and will be delivered by the LSP and the LAA action groups. These are supported by clear and measurable objectives, targets and indicators.</p> <p>Contribution and participation is supported in the Constitution.</p> <p>The Public Engagement Framework is regularly updated. Widespread public engagement takes place through community, service users, and staff focus groups. There are various consultation/ engagement forums including:</p> <ul style="list-style-type: none"> • The council's website • The Leader's Forward Plan of Key Decisions • Leafleting and posters in council buildings such as libraries, local links etc. • Surveys of all residents via the 'Direct' magazine • North Lincolnshire Strategic Partnership representing voluntary, business, and other public sector organisations. • Targeted surveys e.g. community leaders, faith groups, trade unions etc. • Neighbourhood Action Teams, in conjunction with the Police • Members may attend and raise items at council and scrutiny meetings – on notice <p>The council has a Corporate Diversity Plan, managed as a Strategic Risk and a dedicated diversity officer to assist</p>	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
	<p>and advise on engagement with all sections of the community. A Community Cohesion Strategy is also in place</p> <p>The council provides a translation and interpretation service to provide access to contribute and participate in the work of the council.</p> <p>The council's Complaints Procedure, also provides an opportunity to comment on the work of the council.</p>	
(c2) Ensure that career structures for Members and officers to encourage participation and development	<p>Regular meetings take place to identify development needs.</p> <p>Member training is provided to meet both current and future development needs.</p> <p>For officers the leadership programme has been developed for the range of senior and middle managers – including modules on leadership and partnership issues.</p>	Criteria met

Core Principle 6 Engaging with local people and other stakeholders to ensure robust public accountability

(a) Exercising leadership through a robust scrutiny function which effectively engages local people and all institutional stakeholders including partnerships, and develops constructive accountability relationships

(b) Taking an active planned approach to dialogue with and accountability to the public and ensure effective appropriate service delivery whether directly by the authority, in partnership or by commissioning

(c) Making best use of human resources by taking an active and planned approach to meet responsibility to staff

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(a1) Make clear to themselves, all staff and the community, to whom they are accountable and for what	<p>The council sets its objectives, after extensive consultation with all its stakeholders, in the Strategic Plan entitled 'Going Forward Together'. The plan explains the council's vision, priorities for improvement. The driver behind the new plan are the revised council ambitions – four of which are shared with the North Lincolnshire Strategic Partnership and four of which are internal council ambitions Local Area Agreement (LAA) has been drafted and agreed and implementation started in April 2007 to ensure the delivery of the priorities.</p> <p>Three-year service delivery plans, integrate with all key council planning processes and making explicit service delivery contribution to the council's ambitions. The new planning process identifies the contribution services and individuals have to achieve the shared vision through the community strategy.</p>	Criteria met
(a2) Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required	The Strategic Plan, Sustainable Community Strategy and the Local Area Agreement sets out the relationships with stakeholders. Results from the stakeholder surveys are used to assess the effectiveness of the relationship. Additionally survey results and comments received through various consultation and engagement forums may highlight any relationship issues that require addressing.	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
(a3) Produce an annual report on scrutiny function activity	This was part of a scrutiny improvement plan and the first annual report has now been produced.	Criteria met
(b1) Ensure clear channels of communication with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure they operate effectively	Refer to Core Principle 5 C1 Council wide Communication Strategy is in place There is a Culture and Communication Group, which has replaced the previous Internal Communication Network. Service Communication Co-ordinators disseminate key messages. The council has made efforts to improve communication with stakeholders by adopting the council's style guide. The Public Engagement Framework sets out the council's approach to consultation and engagement.	Criteria met
(b2) Hold meetings in public unless there are good reasons for confidentiality	There is a published timetable of council, cabinet and committee meetings and LSP meetings. All meetings are open to the public with certain exceptions for reasons of confidentiality. Stakeholders have access to reports, and minutes unless they are considered exempt via the website. The Forward Plan lists key decisions to be taken over the next 4 months. These are publicised on the council's website, in major council buildings and key offices and locations.	Criteria met
(b3) Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise the different priorities and establish explicit processes for dealing with these competing demands	Refer to Core principle 5 c1. The council has good arrangements to engage with all sections of the community including hard to reach groups. Regular forums or methods are established for groups such as BME, Age, Gay, Lesbian and Transgender, New communities and disability. The council lead on a partnership arrangement which is in place with SHREC to ensure access for BME to all public services.	Criteria met
(b4) Establish a clear policy on the types of issues they will meaningfully consult or engage with the public and service users including a feedback mechanism for those consultees to	Refer to Core Principle 5 c1 and Core Principle 6 b1	Criteria met

Local code should reflect the requirement to:	North Lincolnshire's Position	Evaluation
demonstrate what has changed as a result		
(b5) 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	<p>The council reports on performance publicly through the Strategic Plan. The report recognises the link between the council's strategy and performance and includes Best Value Performance Indicator results.</p> <p>Annual Reports, summarising financial performance and achievements in the year are produced and are on the council website</p> <p>A financial summary was produced and included in Direct Magazine.</p>	Criteria met
(b6) 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 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 appropriate to do so	<p>The Constitution details the rights of citizens to attend meetings, access to papers etc.</p> <p>Arrangements include:</p> <ul style="list-style-type: none"> • The Forward Plan lists key decisions to be taken over the next 4 months. These are publicised on the council's website, in major council buildings and key offices and locations • The council publishes the agenda and reports to be considered at council, cabinet and committee meetings. These are available 5 or more working days before meetings. Access to these documents is available in main council offices, Local Links, the council's website and on request from Democratic Services staff. • Minutes of meetings are held on the council's website and council offices. The website also has the facility for the public to 'have your say'. 	Criteria met
(c1) Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	<p>The JCC structure is in place and trade union protocols have been developed.</p> <p>The annual Points of View survey results reflects staff opinions and forms the basis of action plans for improvement.</p>	Criteria met



Draft

NORTH LINCOLNSHIRE COUNCIL

Local Code of Corporate Governance

September 2008

1. Introduction

North Lincolnshire Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance, as recommended within the revised CIPFA / SOLACE Guidance.

The basic principles of good Corporate Governance require the council to carry out its functions in a way that demonstrates accountability, effectiveness, integrity, inclusivity and is up to date. The council fully supports these principles.

The Code is a public statement of the council's commitment to these principles and sets out clearly the way in which it will meet that commitment.

During 2007/08 North Lincolnshire Council carried out an evaluation of its Corporate Governance arrangements and, in doing so, made reference to both the Guidance and Framework documents published by CIPFA / SOLACE in July 2007 entitled "Delivering Good Governance in Local Government".

This document, North Lincolnshire's "Local Code of Corporate Governance", updates the original code approved in 2007. It identifies the arrangements that have been made, and indeed will continue to be made, to ensure its ongoing effective implementation and application in all aspects of the council's work.

2. What is Corporate Governance?

For the purpose of this Local Code, the council has accepted the definitions of Corporate Governance as stated within the CIPFA / SOLACE documents, as follows;

"Corporate governance is the systems by which local authorities direct and control their functions and relate to their communities".

“Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in an timely, inclusive, open, honest and accountable manner.” (2007)

The Council recognises that the setting of high standards of self - governance provides a clear and demonstrable lead to both our existing and potential partners, and therefore provides the basis of effective community governance. Achievement of these high standards will establish and maintain public confidence in the working of the council and the services that we provide.

3. North Lincolnshire’s Commitment

North Lincolnshire Council is committed to the principles of Corporate Governance. This is evidenced by:

- The Council's Vision, Ambitions and Priorities
- The Community Strategy
- The Strategic Plan
- The Constitution and Delegations to Proper Officers
- Codes of Conduct for Members and Officers
- The Local Strategic Partnership
- Local Area Agreement and other Partnership arrangements
- The Performance Management Framework
- The Risk Management Strategy and Action Plan
- Internal Audit Terms of Reference.
- Audit Committee Terms of Reference
- Key policies and procedures such as Financial Regulations, Contract Procedure Rules and Human Resources policies.

4. Corporate Governance at North Lincolnshire

North Lincolnshire positively recognises and accepts the following underlying principles of good governance, as identified within the CIPFA / SOLACE Framework and Guidance documents;

- **Openness and Inclusivity**
- **Integrity**

- **Accountability**

It also accepts that for these principles to be translated into the key business areas, it must establish systems and processes that can:

- Monitor its **effectiveness** in practice
- Ensure that these are reviewed on a continuing basis and are kept **up to date**

The need for effective leadership is recognised as providing the keystone to corporate governance, and as such the principles can only be achieved if effective leadership is demonstrated through:

- North Lincolnshire providing a vision for its community and leading by example in its decision-making and other processes and actions.
- Members and Officers conducting themselves in accordance with high standards of conduct.

5. The Core Principles of Corporate Governance

In accordance with the revised CIPFA / SOLACE Framework, North Lincolnshire recognises the following “Core Principles” to its corporate activities, accepting that these are not mutually exclusive.

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

The council promotes strategic leadership by developing and clearly communicating the authority’s purpose and vision and its intended outcome for citizens and service users. The council seek to make the best use of resources to ensure service users and tax payers receive high quality services, whether directly or in partnership or by commissioning, and excellent value for money.

To demonstrate this commitment some of the measures the council has in place are:

- Development and promotion, and subsequent review of the council's purpose and vision for the local area. This includes ensuring partnerships are underpinned by a common vision.
- Produce an annual report and various publications communicating the financial position and performance of the council
- Determine quality and value for money measures, and ensure the information required to measure these is available, and
- Have effective mechanisms to identify and deal with failure in service delivery.

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

The councils is committed to ensuring an effective leadership throughout the authority by being clear about executive functions and of the roles and responsibilities of the scrutiny function. The council also ensures constructive working relationships exist between elected members and officers and that the responsibilities of members and officers are carried out to a high standard. Also that relationships between the authority and the public are clear so that each know what to expect of the other.

Some of the measures the council has in place to meet this commitment include:

- Clear statements of the roles and responsibilities of the executive, executive members, members and senior officers
- A scheme of delegation and a formal schedule of matters reserved for collective decision in the constitution that is monitored and updated when required.
- A Chief Executive responsible and accountable for all aspects of operational management
- Protocols to ensure the Leader and Chief Executive have a shared understanding of roles and objectives, and effective communication between members and officers

- A Chief Financial (S151) Officer responsible for ensuring appropriate advice is given on all financial matters, keeping proper records, and for maintaining a sound system of internal financial control
- Approved terms and conditions for remuneration of members and officers, and an effective structure for managing the process.
- A Monitoring Officer responsible for ensuring agreed procedures are followed and that all applicable statutes and regulations are complied with

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The council encourages authority members and officers to exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance, and ensuring that organisational values are put into practice and are effective.

Some of the measures in place which demonstrate this commitment are:

- An organisational cultural model which is based on effective leadership and treatment with respect, staff views are actively sought in each of the model areas, through an annual Points of View survey and action plan produced to improve areas highlighted through the responses.
- Codes of Conduct for Members and Employees, and some services have also produced their own codes such as the Finance Management Charter
- A revised Anti Fraud, Theft and Corruption policy which includes the Whistleblowing policy, and a hotline for employees and customers to report and irregularity and fraud.
- Standing Orders, Financial Regulations and guidance manuals on Human Resources, Finance, Procurement and Health and Safety, to train and support staff in applying policy and procedure consistently
- A Standards Committee with the remit to investigate allegations made in relation to members conduct

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

The council recognises that being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny is essential. Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs. Also that effective risk management system are required. The council aims to use their legal powers to fulfil benefit of the citizens and communities in their area.

Some of the measures in place which demonstrate this commitment are

- An effective scrutiny function that covers all services and partnerships with clear terms of reference and an explicit role in performance monitoring
- A comprehensive constitution which sets out delegations of the executive, committees and senior officers, and the decision making process to be applied
- Publication of agendas, reports and minutes on the website and meetings are open to the public unless in the case of exempt items.
- An effective audit committee
- A programme of member and officer training, and a standard reporting format to ensure that all those responsible for taking decisions have the necessary information on which to do so.
- An risk management approach that is embedded across services and is taken into account in decision making

Developing the capacity and capability of members and officers to be effective

The council is committed to making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles, and to developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group. The council encourages new talent for membership of the council so that the best use can be made of individual's skills and resources in balancing continuity and renewal.

Some of the measures in place to meet this commitment are:

- A commitment to training through various inductions packages and training programmes for members and officers, also individual training requirements identified are met through tailored training packages.
- Workforce planning and an employee appraisal process which aim to identify training needs and address them accordingly
- A public engagement framework and numerous forums and groups are in place to encourage engagement from all stakeholders
- An website that has been accredited, and publication strategy to ensure all required documents can be accessed, also a translation service to ensure they are available in all languages and formats

Engaging with local people and other stakeholders to ensure robust public accountability

The council aims to exercise leadership through a robust scrutiny function, which effectively engages local people and all institutional stakeholders including partnerships, and develops constructive accountability relationships. An active planned approach to dialogue with and accountability to the public and ensure effective appropriate service delivery whether directly by the authority, in partnership or by commissioning , is promoted. As is making best use of human resources by taking an active and planned approach to meet responsibility to staff

Some of the measures, in addition to those above, in place to meet this commitment are:

- A clear policy on consultation to ensure stakeholder views are taken into account
- A householders survey to obtain data on satisfaction levels, which assists in making improvements
- Publication of a Direct magazine monthly, to provide information for all householders
- An annual report is produced, showing the financial position of the council and performance levels in the year

North Lincolnshire accepts that in conducting its activities, one or more of the above 'core principles' will be applicable, and within these the supporting principles and specific requirements should be applied.

6. Corporate Governance at North Lincolnshire – In Practice

North Lincolnshire conducted an evaluation of its corporate governance arrangements during 2007.

This evaluation reviewed the adequacy of corporate governance arrangements, evaluating procedures, policies and practices against the revised best practice framework produced by CIPFA/SOLACE.

The evaluation concluded that the council has adequate procedures and policies in place to show good corporate governance. It acknowledged that there is a changing environment and a need to ensure good governance applies equally to partnership arrangements.

Key decision-making documents are reviewed regularly to ensure they are up to date and relevant. Further issues will be addressed as they arise.

North Lincolnshire's Executive Management Team will provide updates to Elected Members and staff on progress with issues arising from corporate governance requirements.

7. Corporate Governance at North Lincolnshire – The Future

Members and Senior Officers recognise that the annual evaluation of North Lincolnshire's Corporate Governance arrangements is an invaluable and very positive process.

In addition to identifying areas where work now needs to be carried out, it has also confirmed much of the good work already being carried out corporately.

Consequently North Lincolnshire is entirely committed to developing its arrangements for corporate governance in order to ensure that proper

procedures are put in place for the effective governance of the Council's affairs and the stewardship of the resources at its disposal.

To this end, North Lincolnshire will:

- a) Designate the Chief Executive as the Officer responsible for overseeing, implementing, monitoring and reviewing the operation of the Code in practice.
- b) Report annually to the Audit Committee on compliance with the Code and any changes that may be necessary to maintain it and ensure its effectiveness in practice. This will include any recommendations made by Internal Audit and recognised external bodies such as the Audit Commission and External Auditors.
- c) Review compliance with the CIPFA/SOLACE guidance annually, to identify areas of the Code where further work is required, resulting from the audit, including the allocation of appropriate resources, time scales and the designation of Lead Officers.
- d) Provide an annual statement in key corporate documents e.g. Statement on Internal Control (replaced by a governance statement in 2007/08) on how North Lincolnshire 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.

8. Conclusion

North Lincolnshire Council remains fully committed to the principles of corporate governance, and through the measures outlined within this Local Code of Corporate Governance will ensure that adequate arrangements are made with regard to its continued implementation, monitoring and reviewing.

Date: 13/08/2007

Ref: CA/DB/Local Code of Corporate Governance July 07.doc