



Audit Committee

Date: 31 May 2018
Time: 7.00 pm
Venue: Committee Room 1
District Council Offices, Queen Victoria Road, High Wycombe Bucks

Membership

Chairman: Councillor M C Appleyard
Vice Chairman: Councillor R J Scott

Councillors: G C Hall, M Hanif, A Lee, Ms C J Oliver, N J B Teesdale and R Wilson

Standing Deputies

Councillors P R Turner, D A C Shakespeare OBE, C Whitehead and K Ahmed

Agenda

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12	Draft Annual Governance Statement	15 - 61

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Agenda Item 11

BUSINESS ASSURANCE MANAGER'S ANNUAL REPORT 2017-8

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PROPOSED DECISION

That the Business Assurance Managers Annual report for the period 31st March 2018 be noted.

Corporate Implications

1. The Business Assurance Manager is required to provide a written annual report to those charged with governance, timed to support the Annual Governance statement. This yearly report is used as part of the annual process.

Executive Summary

2. The purpose of this report is to present the Business Assurance Manager's report (Appendix A) for the year 2017-18.
3. Based on the work that has been undertaken by Internal Audit in 2017/18, this report provides the Business Assurance Manager's opinion on the effectiveness of the system of internal control at the Council for the year ended 31st March 2018.
4. Strategic Management Board and the Senior Management Team is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.
5. In accordance with the Public Sector Internal Audit Standards (PSIA), the Business Assurance Manager is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the Councils risk management, control and governance processes. This is achieved through a risk based plan of work, agreed with Management and approved by the Audit Committee and should provide a reasonable level of assurance, subject to the limitations detailed below.
6. The opinion does not imply that Internal Audit have reviewed all risks and assurances relating to the Council.

Agenda Item 11

BUSINESS ASSURANCE MANAGER'S ANNUAL REPORT

The purpose of my opinion is to contribute to the assurances provided to Senior Management as regards its own assessment of the effectiveness of the Council's system of internal control. The opinion will also assist Senior Management in the completion of the Annual Governance Statement (AGS).

My opinion is set out as follows:

1. Overall opinion
2. Basis for the opinion

Overall opinion

My overall opinion is that assurance can be given in relation to the core financial reviews that were undertaken in 2017/18 and that there is a sound system of internal control designed to meet the Council's objectives and that controls are generally being applied consistently.

As well as undertaking a number of core financial audits which are necessary in order to provide the Business Assurance Manager's opinion, we also undertake a number of audits in other operational areas of the Council. These audits aim to add value through the delivery of the Internal Audit plan and enable Internal Audit to build a picture of the overall state of governance within the Council.

As part of my 2016/17 Annual report I reported my concern that the Council had not implemented and embedded a formal structure for its programme management and project development arrangements on a Council wide basis.

I am now able to report that significant progress has been made and following a review by the Corporate Director (Growth & Regeneration) a formalised programme board structure, based on the Council's new Corporate Plan has been introduced for 2018/19. This new structure seeks to regularise the governance arrangements around programme management through the introduction of individual Programme Boards, to which individual projects will be reported. The aim is to improve how projects are delivered e.g. demonstrating the processes associated with corporate objective alignment, project appraisal, project progress, financial management and improved risk management.

However, I am concerned about the Council's preparedness in relation to responding to a business continuity event either on a Service by Service basis or Corporately. I am aware that reports have been presented to senior management in September 2017, namely the submission of Corporate Business Continuity Plan and the submission of a report "Business Continuity Planning- People Management Protocol" to the Personnel and Development Committee in October 2017, however since that

time there has been limited progress in ensuring that any plans are capable of implementation and have been subject to testing.

This has also been confirmed from the results of the Annual Assurance Statements which indicated the lack of any scenario based testing to demonstrate the efficacy of the Councils response to an event that affects service delivery.

Full details on the opinion and commentary regarding how the level of assurance was derived are detailed in this report, however a summary is provided below in order to provide some context to the opinion.

The opinion has been derived based on the balance of audits that received either “Strong Controls are in place, or Controls are in place but improvements would be beneficial” opinion. Of the 17 completed reviews only two have received an opinion that “Improvements in application of controls are required”. A detailed explanation of the audit opinions used is attached at Appendix A.

These audits are agreed at the outset of each financial year with the Strategic Management Board, Senior Management and the Audit Committee.

Basis for the opinion

Internal Audit Coverage

An assessment based on the range of individual opinions arising from risk based audit assignments, as detailed in the internal audit programme, has been used. The assessment has taken account of the relative materiality of those areas and Managements progress in respect of addressing control weaknesses.

Operational Risk Registers (ORRs) and the Strategic Risk Register (SRR)

Key to demonstrating that the Council has in place an assurance framework, the following needs to be considered:

- the context of risk within the Council,
- identifies, analyses, evaluates and assesses risk through the adoption of operational risk registers and a strategic risk register.

At an operational level, work has been undertaken throughout the year to develop operational risk registers that are based on service plan objectives and as part of the 2017 /18 Annual Assurance statement process Heads of Services have confirmed that operational risk registers are in place and are subject to periodic review.

A Strategic Risk Register has been in place during 2017/18 with quarterly reporting to the Strategic Management Board and regular reports to the Audit Committee and Leaders Strategic Briefing.

Strategic Management Board are reminded that identifying, managing and mitigating risk is a continual task and should be bedded into normal activity and not just constrained to quarterly reporting.

From 2018/19, the Council will be using risk software to record and track both operational and strategic risks.

I would like to thank the officers that have both contributed and participated in the delivery of the above work.

Corporate Investigations Team

We are required under CIPFA's current governance framework *Delivering Good Governance in Local Government Framework 2016* "to demonstrate how effective the Councils counter fraud and anti-corruption arrangements are".

Since March 2015, the Council has developed plans, from its Tackling Fraud and Corruption report and is seeking to refresh the Councils counter fraud and corruption arrangements in line with best practice as recommended by CIPFA's Managing the Risk of Fraud and Corruption. A more detailed explanation of the Councils arrangements can be found on pages 7-11

Key to these arrangements is the need for the Council to understand the potential level of risk exposure across the whole Council and then to assess on a measured approach those services that have a greater level of fraud risk exposure. Initial work was undertaken during 2017/18 to develop fraud risk registers and this approach needs to be refined during 2018/19.

INTERNAL AUDIT, RISK MANAGEMENT AND CORPORATE INVESTIGATIONS
DIVISION ANNUAL REPORT 2017/18

INTRODUCTION

The Division consists of three strands:

- Internal Audit
- Risk Management
- Corporate Investigations

BACKGROUND - INTERNAL AUDIT

The purpose of this report is to provide an update of the audit reports that have been issued during 2017/18.

The original audit programme agreed by the Audit Committee at their meeting in March 2017 set out a programme of work consisting of 19 reviews. This has been subject to revision due to changes within the individual service areas which not predicted at the time original programme was prepared, notably:

High Level Cyber Security Review – this review was not undertaken due to programmed work within the Service, notably network penetration testing. The results of which would impact on the planned review. It has been agreed that this review will be undertaken in 2018/19.

As regards the Planning Enforcement Review including Planning Performance Agreements. It was agreed with the Service that two separate reviews would be undertaken given the nature of the services provided.

Strategic Risk Register control /mitigation review – this review was not undertaken due to the introduction of a refreshed Corporate plan, aligned to the introduction of risk software. This has allowed the Service to rationalise its approach to the identification and management of strategic risk.

In terms of resources, we have continued to be supported in the delivery of the audit programme by an external service provider and are pleased to report that through a close working relationship with the Business Assurance Manager in commissioning, scheduling and managing the relationship we have continued to deliver.

Internal Audit continues to provide additional services and support via attendance at several corporate working groups:

Major Projects Support Group
Corporate Equalities

Despite all the above calls on Internal Audit time, we are pleased to report that the audit programme was achieved and we have completed 18 audit reviews.

Customer Satisfaction Questionnaires.

On completion of each audit, the Client is sent a questionnaire. The completed questionnaire provides a useful measure as to the effectiveness and efficiency of the Internal Audit Service on an individual review basis.

- General comment about the usefulness and value of the audit review
- Audit planning
- Quality of the audit report
- Timing of the audit review
- Communication during the audit review
- Conduct of the auditor
- Exit meeting
- Improvements in performance with the Service area
- Proper management of risk or reduction in risk.

The table below provides a summary of the audit reviews completed in 2017/18. It shows the total number of recommendations made compared to the number of recommendations that have been accepted by Management in order to improve the internal control framework within individual Service functions.

AUDIT REVIEW TITLE	OPINION	Number of recommendations made.	Implemented recommendations
CORE FINANCIAL REVIEWS			
Corporate Debt Management	Controls are in place, but improvements would be beneficial.	6	6
Creditors (* draft)	Controls are in place, but improvements would be beneficial.	3	*
Payroll (* draft)	Strong controls are in place	1	*
Main Accounting and Budgetary Control	Controls are in place, but improvements would be beneficial.	2	2
Council Tax and Non-Domestic Rates	Strong controls are in place	1	1
Housing Benefit and Council Tax Reduction	Strong controls are in place	1	1
Income	Strong controls are in place	1	1
NON CORE FINANCIALS			
Fixed Assets and Inventories	Improvements in the application of controls are required	4	3
High Level VAT Review (* draft)	Controls are in place, but improvements would be beneficial.	4	*
Use of Agency and Consultancy including IR35	Strong controls are in place	1	1
Rent Deposits (*draft)	Controls are in place, but improvements would be beneficial.	5	*
Premise Alcohol Licence	Controls are in place, but improvements would be beneficial.	5	5
Homeless	Controls are in place, but improvements would be beneficial.	4	4
Local Lottery Scheme	Improvements in the application of controls are required	6	6
Planning Enforcement (*draft)	Controls are in place, but improvements would be beneficial.	5	*
Planning Performance Agreements (*draft)	Controls are in place, but improvements would be beneficial.	5	*
Parking Services	Controls are in place, but improvements	3	2

	would be beneficial.		
Commercial Leases	Strong controls are in place	2	2
TOTAL		58	34*

DRAFT

CORPORATE INVESTIGATIONS – PERFORMANCE SUMMARY

The Corporate Investigations Team consists of two part time qualified investigators (1.03 FTE) whose role is to investigate allegations of corporate fraud which covers the investigation in to allegations of fraud in relation to Council Tax Reduction, Single Person Discount, National Non Domestic Rates (NDR) and Housing & Homeless applications.

The Corporate Investigations Team have in part followed recommended best practice from CIPFA's "Managing Fraud and Corruption" which identifies five key activities:

1. Acknowledge the responsibility of the governing body for countering fraud and corruption.
2. Identify the fraud and corruption risks
3. Develop an appropriate counter fraud and corruption strategy
4. Provide resources to implement the strategy
5. Take action in response to fraud and corruption

During 2017/18, we have sought to raise the profile of the Corporate Investigations Team by promoting the Service across the Council and also by offering Fraud Awareness training to relevant Services. A programme has been rolled out which to date has covered the

- Revenues Team,
- Housing Options Team and
- Planning Enforcement
- Environmental Health

In addition, the Team has delivered awareness training as regards the work of the Corporate Investigations Team to:

- 2 All Staff meetings, and an
- Awareness training session for Members.

This positive approach has resulted in an increase in referrals from Services from within the Council who historically did not raise referrals as the perceived emphasis was solely to investigate Housing Benefit fraud.

- We are also working with Services to support them in developing their policies and processes to prevent and detect fraud in order for individual services to determine and apply a level of sanction rather than making a referral to the Corporate Investigations Team which may not be warranted.
- We have formalised our working relationship with Thames Valley Police by creating a Service Level Agreement. We will assist them with any ongoing investigations that require access to Council information with the reciprocal arrangement that the Police will inform the Team, in a timely manner, of any cases of suspected fraud that arise from their investigations.
- The table below indicates the number of referrals, by type that have been received by the Team, during 2017/8

Nature of referral	Number of referrals	Number of cases after risk assessment	% of referrals taken on for further investigation
Council Tax Reduction	50	34	68%
Single Person Discount	22	21	95%
False application to / allocation of social housing.	4	3	75%
Environmental Health	5	5	100%
NNDR	8	4	50%
TOTAL	89	67	75%

Fraud referrals are received from internal and external sources such as other departments, the Department of Works and Pensions, members of the public via the fraud email and Thames Valley Police.

A risk assessment process is in place which determines the quality of the referrals received, considers the reliability of the referral source and measures the likelihood of a successful outcome. Cases will only be investigated if they pass the risk assessment and are in the public interest.

We also consider the outputs from the National Fraud Initiative as this provides a credible and reliable source of referrals.

Sanctions and Prosecutions

There are three types of sanctions that can be administered:

Caution - this is a formal, final warning that is issued by Corporate Investigations stays on a person's record with WDC for a period of 5 years and is used for less serious cases. A caution can only be sanctioned if the offence is admitted during an interview under caution. In these cases, the recovery of any overpayment is sought as well. A caution can be cited in court should the claimant be found guilty of a further benefit offence

Penalty - this is a "fine" and the value of the fine is calculated by taking up to 50% of the total CTR overpayment. The fine can be no greater than £1000 with a minimum of £100 and can be used where it's not in the public interest to proceed with a prosecution. A fine can be sanctioned without a full admission of guilt being made. The penalty is in addition to the reclaiming of the original overpayment and is collected through a sundry debtor invoice.

During 2017/18, the Team applied a penalty in three cases amounting to £1,559

Prosecutions – for the more serious cases the Council's Legal Department will pursue criminal court proceedings against the person involved.

The aim is to focus the work of the Corporate Investigations Team to increase the number of sanctions in order to act as a deterrent to those persons defrauding or seeking to defraud the Council.

This is reflected in the work of the Team and all referrals are risk assessed to identify those cases that will potentially be more effective to investigate and lead to a deterrent.

All cases put forward for deterrent actions are monitored and, as necessary, further advice is sought from the Council's Legal Department

A higher level of evidence is required on those cases where either a Caution or Penalty is offered. If a person does not accept a Caution or a Penalty, the normal course of action would be for the case to be considered for legal proceedings.

Where possible, the local media has been made aware of successful prosecutions but coverage is dependent on other items of news at the time. Reports of these cases are intended to have a deterrent effect. In addition, successful prosecutions are reported on the Council's website and intranet site.

During 2017/18, the Team undertook 1 prosecution using the Fraud Act 2006, in relation to Discretionary Housing Payment scheme, Council Tax Reduction & Single Person Discount and was successful. This case resulted in costs of £2,500, compensation of £1,768 being awarded, a 12 month community order and 160 hours of unpaid work.

The Team currently has a further 2 cases awaiting prosecution.

The Team identified overpayments amounting to £17,000 (10 cases) in relation to Council Tax Reduction and £10,000 (13 cases) in respect of Single Person Discount.

Fraud Awareness

The advertising in local publications ceased due in part to limited coverage and also the cost. Regular articles are now placed in each issue of the WDC "Wycombe Times" publication which is delivered to all households in the district.

We are continuing to use the notice boards in Council owned car parks in order to create further awareness of how the public can report suspicious fraudulent activity.

Future Aims for the Team

Continue to deliver the work programme as set out in the Tackling Fraud and Corruption plan

Demonstrate the value for money benefits that can arise through having a dedicated Corporate Investigations Team.

Prevention of fraud through better understanding internally.

Better publicity using Wycombe's Facebook page e.g. how to report a fraud

Audit Opinions

The following audit opinions are used when making an assessment of the effectiveness and adequacy of the systems of internal control.

PRIORITY 1 – Fundamental: action that we consider essential to ensure that the Authority is not exposed to high risk.

PRIORITY 2 – Significant: action that we consider necessary to avoid exposure to significant risks

Based on the number of priority recommendations we provide an opinion as to the overall control environment. This is reflected in an audit opinion and this is based on four levels:

Level 1 - Strong controls are in place:

- Key/compensating controls exist and are applied consistently and effectively.
 - Objectives are being achieved efficiently, effectively and economically.
 - Risks are managed.
 - Procedures, laws and regulations are complied with.
 - Assets are safeguarded.
 - Information is reliable.
 - Small number of relatively minor recommendations to address.
- (Minimal risk of serious loss or error)

Level 2 - Controls are in place, but improvements would be beneficial:

- Key controls exist but there may be some inconsistency in application.
 - Compensating controls are operating effectively and generally procedures are adequate.
 - Objectives generally achieved except for some identified weaknesses.
 - Some procedures, laws and regulations may not be properly complied with.
 - Some assets may not be safeguarded.
 - Some information may be unreliable.
 - Minor shortfalls in risk management.
- (Some risk of loss, fraud, impropriety, or damage to reputation)

Level 3 - Improvements in application of controls are required:

- Key controls exist but they are not applied, or significant evidence that they are not applied consistently and effectively.
- Procedures exist but are inadequate and/or ineffective. Modification required.
- Objectives are not being met, or are being met without achieving efficiency and effectiveness.
- Some assets may be at risk.
- Major shortfalls may exist in risk management.

- Information inaccuracies may occur.
(Increased risk of fraud, impropriety, or damage to reputation)

Level 4 - Urgent system revision is required:

- Key controls do not exist.
- Lack of procedures, or procedures not being followed.
- Council rules and regulations and/or statutory requirements are not complied with.
- Objectives are not being met.
- Information is unreliable.
- Assets are vulnerable.
- Risks are not being effectively identified and managed.
(High risk of loss, fraud, impropriety, or damage to reputation)

DRAFT

Agenda Item 12

DRAFT ANNUAL GOVERNANCE STATEMENT 2017-18 AND THE LOCAL CODE OF GOVERNANCE 2018.

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Wards affected: All

Proposed decision

1. The Committee is advised to review and endorse the 2018 Local Code of Governance and the draft Annual Governance Statement for 2017/18 and the areas highlighted for improvement, prior to submission to the Leader and Chief Executive for formal sign off alongside the Annual Accounts.

Corporate Implications

2. The Council is required to review the effectiveness of its system of internal control and publish an Annual Governance Statement with their annual Statement of Accounts.
3. The Annual Governance Statement is scrutinised by External Audit. The External Audit function for Wycombe District Council is carried out by Ernst and Young.

Executive Summary

4. The publishing of the Annual Governance Statement (AGS) is the formal reporting of the Council's governance arrangements: it is an opportunity to report on the quality of our governance arrangements and identify actions to improve those arrangements.
5. The Council has adopted the guidance, issued by CIPFA/SOLACE "Delivering Good Governance in Local Government Framework 2016" to produce, both a Local Code of Governance and an Annual Governance Statement.
6. The Audit Committee terms of reference require it to review the "Council's Framework for Corporate Governance"

Sustainable Community Strategy/Council Priorities – Implications

7. This report directly relates to the Council's corporate priority 'pounds': delivering value for money in everything we do as a Council is the foundation to ensure all the Council's priorities comply with legislative and Council requirements.

Background and Issues

8. The Council's Annual Governance Statement (AGS) follows the guidance as issued in 2016 by CIPFA /SOLACE in its publication "Delivering Good Governance in Local Government Framework 2016"
9. The draft AGS for the year ending 31st March 2018 is attached at Appendix A, along with the new Local Code, Appendix B. These detail how the Council has had due regard to the guidance contained in the new framework and also meets the requirements of the Account and Audit regulations.
10. The Local Code and the draft AGS has been prepared by the Business Assurance Manager in consultation with the Strategic Management Board.
11. The draft AGS has been prepared based on the Annual Assurance Statements which are completed by each Head of Service and finally signed off by the Corporate Director or Chief Executive as appropriate.
12. The improvement areas highlighted are also included in the Council's Strategic Risk Register, where applicable, which is being used as the formal mechanism for recording the governance issues and the resultant improvement tasks, as it integrates the governance actions, thus avoiding duplication and provides consideration of issues together.
13. Detailed below are the 5 areas for improvement identified from the 2017/18 assurance process:

People

Partial compliance in that job descriptions (JD's) need to be reviewed in line with individual performance development plans.

Use of Resources

Partial compliance in regards to the Services being able to demonstrate performance levels across the range of services provided.

(Note - this was a theme from the 2016/17 AAS process).

Information Governance and Records Management

Partial compliance in that further work was required in relation to the management of paper and electronic records which would enable both the ease of location and disposal of records at the appropriate time.

(Note - this was a theme from the 2016/17 AAS process).

Business Continuity (BC)

Partial compliance in that further work is required in ensuring that Services have made adequate arrangements to ensure continued service delivery and that the arrangements have been communicated to all relevant staff.

In addition to the above, a test (dry run) should be undertaken to validate the process detailed in the BC Plan on a corporate or on a Service by Service basis.

(Note - this was a theme from the 2016/17 AAS process).

Project Management

Partial compliance in that Lessons Learnt reports are not produced and shared corporately for projects completed within a Service, during the year.

(Note - this was a theme from the 2016/17 AAS process).

Options

14. This is a statutory requirement.

Conclusions

15. The Council continues to operate within a sound corporate governance framework and the areas identified for improvement are seen as developmental actions, rather than having to tackle activities as a result of fundamental weaknesses.

Next Steps

16. The final version of the Annual Governance Statement will be submitted to the Leader and Chief Executive for formal sign-off as part of the Final Accounts process.
17. The approved Annual Governance Statement will be published on the Council's website along with the Council's Statement of Accounts.
18. Strategic Management Board continues to have clear oversight of the Strategic Risk Register through nominated Risk Owners whose role is to ensure that the risks for which they have operational responsibility are clearly identified, subject to a detailed evaluation process considering the control environment as mitigation and the identification of improvements tasks that are required to minimise the level of risk exposure faced by the Council.

19. Strategic Management Board monitors the progress of implementing agreed areas for improvement via the half yearly review of the Annual Governance Statement.

Background Papers

CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016.



ANNUAL GOVERNANCE STATEMENT 2017/18



Version 1
April 2018

Introduction

Both the Leader and the Chief Executive recognise the importance of having a system of rules, policies and procedures in place to ensure that information is available to help, shape and direct the way in which services are managed and delivered.

Each year, the Council is required to produce an Annual Governance Statement (AGS) which explains how its corporate governance arrangements have been working in practice.

The AGS in respect of 2017/18 was presented to the Audit Committee at its meeting in May 2018, along with a new Local Code of Governance for 2018, for their review and comment prior to submission of the AGS to the Leader and Chief Executive for formal sign off alongside the Annual Accounts.

Scope of responsibility

This statement covers the period 1 April 2017 to 31 March 2018

Wycombe District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Wycombe District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This statement explains how Wycombe District Council meets the requirements of the Accounts and Audit Regulations, which are made under the Local Audit and Accountability Act 2016, in that it must have in place a sound system of internal control that:

- (a) facilitates the effective exercise of the Council's functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the Authority is effective; and
- (c) includes effective arrangements for the management of risk.

In discharging this overall responsibility, Wycombe District Council is responsible for putting in place proper arrangements for the governance of its affairs.

The purpose of the governance framework

Our governance framework comprises the systems and processes, and cultural values, by which the Authority is directed, controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Wycombe District Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This governance framework has been in place at Wycombe District Council for the year ended 31 March 2018 and up to the date of approval of the statement of accounts.

The governance framework

In 2016, guidance was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (Solace) "Delivering Good Governance in Local Government Framework 2016 Edition" (referred to as Delivering Good Governance) and this formed the basis of the Councils Local Code of Governance as well as this AGS. The guidance is split into seven core principles which are detailed below:

- A Behaving with integrity, demonstrating strong 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 aspects.
- 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 practice in transparency, reporting, and audit to deliver effective accountability

Commitments

It is important that Wycombe District Council's approach to effective governance is understood by all. The following 7 goals demonstrate Wycombe District Councils' approach to good governance.

- ❖ Clearly set out Wycombe's objectives and what it is trying to achieve.
- ❖ Measure and publicise how effective Wycombe's services are and take action to improve where performance is below target.
- ❖ Making best use of public money by taking prudent and risk based financial decisions and measuring the value for money it achieves.

- ❖ Clear Constitution that sets out who can take which decisions.
- ❖ Members and Officers behaving in ways that reflect Wycombe's values and high standards of conduct.
- ❖ Record and publish the decisions that Wycombe takes and the reasons for them and where possible makes the most important decisions in public.
- ❖ Have in place a scrutiny function that holds the Executive to account.

Review of effectiveness

Wycombe District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Each year all Heads of Service and their Management Teams are required to complete and sign-off with their line manager the Annual Assurance Statement. This return identifies whether the service area has full, partial or non-compliance, based on evidence, with improvement tasks identified as appropriate. The statement for the period 1 April 2017 to 31 March 2018 covered the following areas, against which the level of compliance is recorded.

1. Service objectives – full compliance.
2. People - partial compliance.
3. Use of resources –partial compliance
4. Health and safety – full compliance
5. Information Governance and records management – partial compliance.
6. Business risk and business continuity –partial compliance
7. Transparency and Accountability – full compliance.
8. Partnership working – full compliance
9. Project management – partial to full compliance
10. Contracts – full compliance

KEY THEMES ARISING FROM THE 2017/18 AAS PROCESS

Of the 5 areas where partial compliance was recorded, these are briefly explained below:

People

Partial compliance in that job descriptions (JD's) need to be reviewed in line with individual performance development plans.

Use of Resources

Partial compliance in regards to the Services being able to demonstrate performance levels across the range of services provided.

NB this was a theme from the 2016/17 AAS process

Information Governance and Records Management

Partial compliance in that further work was required in relation to the management of paper and electronic records which would enable both the ease of location and disposal of records at the appropriate time.

NB this was a theme from the 2016/17 AAS process

Business Continuity (BC)

Partial compliance in that further work was required in ensuring that Services had made adequate arrangements to ensure continued service delivery and that the arrangements have been communicated to all relevant staff.

In addition to the above, a test (dry run) should be undertaken to validate the process detailed in the BC Plan on a corporate or on a Service by Service basis.

NB this was a theme from the 2016/17 AAS process

Project Management

Partial compliance in that Lessons Learnt reports are not produced and shared corporately for projects completed within a Service, during the year.

NB this was a theme from the 2016/17 AAS process

LOCAL CODE OF CORPORATE GOVERNANCE

It is important to acknowledge that many of the key governance mechanisms referred to in the Local Code are relatively static in terms of currency and do not tend to alter over time.

However it is the review of their effectiveness in practice rather than a review of their existence that demonstrates the efficacy of the Council's AGS for 2017/8.

During 2017/18, Officers have fully implemented 4 of the 9 Areas for Improvement from the review of the Local Code in 2016/17, with 3 due to be implemented in 2018/19 and a further 3 are to be considered by SMB as regards:

Implemented

1. Introduced an Annual report process outlining the work of the Standards Committee.
2. Reminders have been issued to all Members of the need to ensure that all disclosures are made.
3. Revised Whistleblowing policy introduced.

4. New revised Corporate Plan introduced for 2018/19

Due for implementation in 2018/19

1. Annual report summarising service improvements completed as a result of feedback the Council has received.
2. Progress to be reported on annual basis to assess the implementation, delivery and monitoring of the refreshed corporate plan.
3. Progress to be reported to assess the purpose and applicability the quarterly financial and performance process to be introduced in 2018/19.

However the following 4 Areas for Improvement from the 2017/18 review process that have not been implemented and have therefore been restated below in order that Management can consider their applicability as individual work streams for implementation during 2018/19:

The "minded to" announcement (March 2018) by the Secretary of State with regard to the future of local government in Buckinghamshire has had an impact on the delivery of work streams during 2017/18 and these have therefore been restated in the Areas of Improvement Plan for 2018/19. This will enable senior management the opportunity to discuss the future relevance of each of the affected separate work streams.

1. Review covering both the Constitution and the wider decision making & governance arrangements to be undertaken.
2. Review to be undertaken to assess the purpose and content of the current Communications policy.
3. Review to be undertaken to refresh and update the current Engagement strategy and toolkit.
4. Consider the commissioning of a Household Survey during 2018/19.

The publication of our Local Code and the Annual Governance Statement meets the requirement of the Accounts and Audit (England) Regulations 2016, and the AGS accompanies the Annual Financial Accounts report which is available on the Council's website.

OVERALL ASSESSMENT

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and will ensure that the Identified Areas for Improvement are implemented so as continually improve our processes and procedures. .

Leader of the Council

**Chief Executive
On behalf of Wycombe District Council**

Date:

Date:

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LOCAL CODE OF GOVERNANCE (The Code)



Version 1
May 2018
(Covering the 2017/18 accounting year)

What is Governance?

Governance comprises of the arrangement put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

International Framework definition of governance.

The challenge for Wycombe District Council is to be able to demonstrate that it is doing the right thing, in a timely, inclusive, open, honest, effective and accountable way and to ensure that public funds are not put at risk.

The Delivering Good Governance in Local Government Framework 2016 (DGG framework) provides a framework that enables Wycombe District Council to design an approach and set of arrangements that are up to date, proportionate and relevant.

Wycombe District Council needs to be able to ensure that not only are its governance arrangements sound but are capable of being evidenced as being sound.

Developing a Local Code

Wycombe is committed to the 7 principles contained in the Delivering Good Governance Framework and recognises the importance of conducting its business in accordance with the law and good practice and in doing so is able to ensure that the use of public money is safeguarded, properly accounted for and demonstrates value for money.

In demonstrating its commitment, Wycombe District Council has developed a Local Code of Governance (to be referred to as the “The Code”)

The diagram overleaf illustrates the inter-connectivity of the 7 main principles. Further information is contained at appendix 3 as the behaviours and actions that demonstrate good governance in practice.

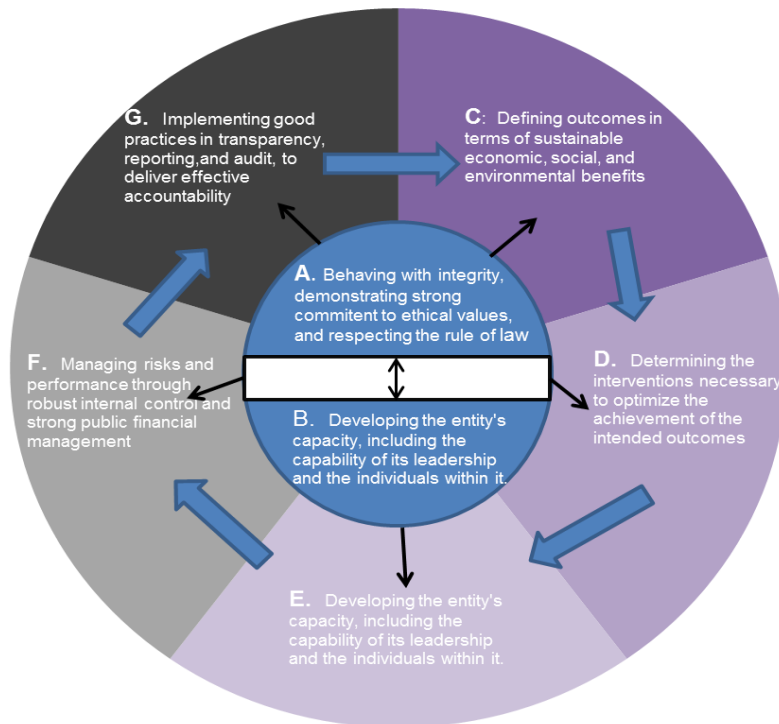


Diagram extract from the Delivering Good Governance in Local Government Framework 2016.

Wycombe District Council aims to demonstrate that its governance system, processes and procedures are integral to the “business as usual” mind set as opposed to a set of rules and regulations that are designed and imposed from the corporate centre and then merely included as a series of statements as part of the published Annual Governance Statement.

By adopting this methodology, Wycombe District Council aims to ensure that processes are kept under review through a robust process of assurance (referred to as our Three Lines of Defence), which can be considered as fit for purpose in terms of currency and relevance.

The Three Lines of Defence model detailed below describes the functional segregation and reporting structures on which an opinion is sought in terms of the effectiveness of the internal controls in place and the management of risk.

Level 1 Operational Management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks through a controls framework.

Level 2 Consists of those activities covered by several components of internal governance (risk management, performance management, IT). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists risk owners in reporting adequate risk and control related information.

Level 3 Independent assurance, provided by an independent Internal Audit function, through a risk based approach to its work and provides an assurance to the Audit Committee and the Strategic Management Board.

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The following table illustrates the key components on which our governance arrangements are to be based:

GOVERNANCE STRUCTURES – KEY COMPONENTS		
REQUIREMENTS	SOURCES	PROVIDERS – THREE LINES OF DEFENCE
Demonstrate delivery of corporate plan objectives	Cabinet, Council, Committees structure	1st line of defence (Management controls, internal control measures):- Council’s democratic arrangements Quarterly financial reporting Customer feedback Community consultation Staff surveys 2nd line of defence Risk Management Quality & Performance 3rd line of defence Internal Audit Examples of external 3rd party assurance: External Audit Annual Opinion Inspectorate reports
Demonstrate value for money service delivery	Council’s Constitution	
Management of risk	Risk management framework	
Reliable and accurate sound financial planning and performance	Project management framework	
Demonstrating effective system of internal control	Complaints system	
Effective project management and delivery	HR policies and procedures	
Complaint procurement processes	Codes of Conduct	
Officer and Member training	Officer and Member training	
Standards of behaviour and conduct	Service plans & financial plan	
Community engagement	Independent external sources	
Demonstrate public accountability	Whistleblowing	
Ensuring compliance with law and regulations	Counter-fraud arrangements	
Compliance with internal policies, protocols and procedures	Statutory Officers	

It is important that Wycombe District Councils approach to effective governance is understood by all. The following 8 goals demonstrate Wycombe District Councils approach to good governance.

- ❖ Clearly set out Wycombe's objectives and what it is trying to achieve.
- ❖ Measure and publicise how effective Wycombe's services are and take action to improve where performance is below target.
- ❖ Demonstrate how Wycombe's partnership arrangements are improving services for our residents.
- ❖ Making best use of public money by taking prudent and risk based financial decisions and measuring the value for money it achieves.
- ❖ Clear Constitution that sets out who can take which decisions.
- ❖ Members and Officers behaving in ways that reflect Wycombe's values and high standards of conduct.
- ❖ Record and publish the decisions that Wycombe takes and the reasons for them and where possible makes the most important decisions in public.
- ❖ Have in place a scrutiny function that holds the Executive to account.

To achieve this, the principles of good governance have been translated in to a framework that seeks to:

- Review our existing governance arrangements against the new Local Code
- Maintain the Local Code to ensure its ongoing application and effectiveness
- On an annual basis, prepare an Annual Governance Statement (AGS), a public document, that reports on how well Wycombe adheres to its own Local Code. This process will be used to demonstrate the effectiveness of the governance arrangements in the current year and considering any changes planned for next 12 months.

Appendix 1 provides an indication as to the range of current policies that underpin Wycombe's compliance with the 7 DGG principles.

The diagrams overleaf indicate what is in place and evidences how they support the two main principles contained in the Delivering Good Governance framework.

PRINCIPLE A - behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.



PRINCIPLE B - ensuring openness and comprehensive stakeholder engagement.



Roles and Responsibilities

All Officers and Members are expected to commit to the principles of good governance; and there are several specific responsibilities at a group and individual level that should be acknowledged:

- Cabinet,
- Standards Committee,
- Audit Committee,

Strategic Management Board (SMB) has a collective responsibility for good governance and this is underpinned by the role of the three statutory officers at Wycombe, two of which are members of SMB (*):

Head of Paid Service	- Chief Executive (*)
Monitoring Officer	- District Solicitor
Section 151 Officer	- Head of Finance and Commercial (*)

Individual Heads of Service are responsible for the policies, protocol and procedures which form part of this Code and that fall within their functional responsibilities. Each Head of Service and their management team are responsible for ensuring that all relevant documentation is maintained and promulgated throughout the Council,

Monitoring, Review and Oversight

Wycombe will aim to ensure that its governance arrangements are cornerstone to the functions and services delivered across the Council and through the involvement of SMB, to be able to provide a commentary as to the arrangements that have been applied during the year.

Strategic Management Board (SMB) is responsible for overseeing its application in practice and endorsing its content before submission to the Audit Committee, as part of the Annual Governance Statement process.

The Annual Governance Statement will continue to be signed by both the Leader of the Council and the Chief Executive and then made available on the Council's website as part of the published Annual Accounts.

This Code will be reviewed on an annual basis to ensure its continued relevance, currency and will consider the effectiveness of the processes contained in the Code. The review will also include an examination of the key processes and policies.

Key Process

- Review of the Constitution
- Annual report for the Audit Committee
- Annual report for the Standards Committee
- Annual report of Improvement and Review Commission
- Internal Audit Annual report
- Information Governance Annual report
- Complaints Annual report
- External Audit Annual Letter
- Annual report (Corporate Plan)
- Review of Financial Regulations and Contract Standing Orders
- Value for Money Annual reports

Oversight

Wycombe has the following Committees that are jointly responsible for overseeing its governance arrangements. These Committees are:

Audit Committee: - responsible for approving the Council's Annual Accounts and responding to the External Auditors Annual Audit letter. It also oversees the effectiveness of Wycombe governance and risk management arrangements, the internal control environment and associated Anti - Fraud and Corruption arrangements.

<https://councillors.wycombe.gov.uk/mgCommitteeDetails.aspx?ID=140>

Standards Committee: responsible for promoting and maintaining high standards of conduct amongst Members, advising the Council on the adoption and revision of the Code of Conduct for Members.

<https://councillors.wycombe.gov.uk/mgCommitteeDetails.aspx?ID=192>

Personnel and Development Committee: - responsible for promoting and monitoring high standards of conduct amongst officers, advising the Council on the adoption and revision of the Officers Code of Conduct and the approval of its Whistleblowing Policy and it oversees the effectiveness of its arrangements in relation to whistleblowing.

<https://councillors.wycombe.gov.uk/mgCommitteeDetails.aspx?ID=246>

Improvement and Review Commission The function is to monitor decisions made by the Cabinet and to help review and develop council policy.

Overall Summary

Following comparison of the framework to the key policies and procedures in place at Wycombe the results of which are detailed in Appendix 3 and are summarised below.

We are pleased to note that the Councils has introduced:

1. An annual report for the Standards Committee, along with Member guidance as regards the requirement to disclose.
2. The Councils Whistleblowing policy has been revised
3. New revised Corporate Plan introduced for 2018/19.

In addition, there were several of the areas for improvement from the 2017/18 report which were designed in 2017/18 to become effective in 2018/19, hence there inclusion (as “partially complete”) in the 2018/19 Areas for Improvement Plan.

4. Annual report summarising service improvements completed as a result of feedback the Council has received.
5. Progress to be reported on annual basis to assess the implementation, delivery and monitoring of the refreshed corporate plan.
6. Progress to be reported to assess the purpose and applicability the quarterly financial and performance process to be introduced in 2018/19.

The “minded to” announcement (March 2018) by the Secretary of State with regard to the future of local government in Buckinghamshire has had an impact on the delivery of work streams during 2017/18 and these have therefore been restated in the Areas of Improvement Plan for 2018/19. This will enable senior management the opportunity to discuss the future relevance of each of the affected separate work streams.

7. Review covering both the Constitution and the wider decision making & governance arrangements to be undertaken.
8. Review to be undertaken to assess the purpose and content of the current Communications policy.
9. Review to be undertaken to refresh and update the current Engagement strategy and toolkit.
10. Consider the commissioning of a Household Survey during 2018/19.

For each core principles there is a rationale that supports each principle and illustrates the arrangements that are currently in place:

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
A - BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW	
<p>Rationale</p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>	<p>INTEGRITY</p> <p>Established Code of Conduct for Members that seeks to ensure that high standards of conduct are maintained.</p> <p>Procedures are in place outlining the arrangements for dealing with breaches with Code of Conduct.</p> <p>Established Standards Committee is in place and responsible for overseeing the conduct of Members and identifying training needs of Members in relation to the Code of Conduct. The Committee receives a quarterly report from the Councils Monitoring Officer.</p> <p>The first annual report outlining the work of the Standards Committee was endorsed by Standards Committee on 20 March 2018, and reported to Council, and approved on 16 April 2018.</p> <p>Established Employee Code of Conduct that sets standards of behaviour and conduct that Wycombe expects of its employees The Employee Code of Conduct is in the Councils Constitution which is available on line. New employees are advised of the Code of Conduct as part of the induction process.</p> <p>The Employee Code of Conduct was last reviewed in December 2015 and is scheduled for review in December 2018. The Code of Conduct is published on the intranet and circulated via Review Point to all staff.</p> <p>Members Gifts & Hospitality policy is in place and endorsed by the Standards Committee 10th October 2017, approved by Council on 11th December for inclusion as an Appendix to the Code of Conduct for Members, and has now been added into the Code published within the Constitution.</p> <p>Established self-declaration process in place that allows for individual Members to declare Interests and records of gift and hospitality, which is published on the Councils website. The date last changed is published online.</p> <p>Members were also sent two reminders via Member's update in September 2017 & March</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>2018 of the need to comply with the Code of Conduct for Members.</p> <p>Members declaration of interests are a standing item on all agendas, with minutes that show declarations of interest were sought and appropriate declarations were made and adhered too.</p> <p>Standard decision making report used for all full Council Committee decisions.</p> <p>Established protocol for recording Council Representation on Outside Bodies. A list is available on line online.</p> <p>Established corporate Compliments and Complaints policy in place which is available on the Councils website as both online and downloadable report. Quarterly reports to Strategic Management Board and included in quarterly Performance Report to the Audit Committee.</p> <p>Established Whistleblowing policy is in place under the control of the Personnel and Development Committee. With a revised WB Policy receiving agreement by the Personnel and Development Committee on the 4th October 2017. Policy awaiting automated circulation to staff.</p> <p>ETHICAL VALUES</p> <p>Published Constitution which sets outs Delegation of the Executive, Committees and Senior Officers , the decision making process to be adhered too</p> <p>Terms of Reference exist for all Committees, included as part of the Constitution review reported in March 2016 to the Regulatory and Appeals Committee</p> <p>Area for Improvement 1: Further work to be undertaken in 2018/19 in the Democratic, Legal & Policy Team consisting of a review covering both the Constitution and the wider decision making & governance arrangements.</p> <p>Action Owner: Head of Democratic Legal and Policy</p> <p>Established Contact Standing Orders & Financial Regulations available via the intranet Contact Standing Orders were reviewed between August 2015 and February 2016. The key changes were agreed at Council 11th April 2016, having previously been approved at Regulatory and Appeals Committee.</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>Contract Management Handbook appended as part of Contract Standing Orders and was reviewed in June 2016 by an external consultant. Staff were last reminded of the existence of the handbook as part wider training on Contract Standing Orders.</p> <p>Partnership Governance Protocol- covering the seven principles public life and which sets out the governance structures and processes for partnership working arrangements</p> <p>Previously confirmed by the Head of DLP that the Council does not currently have sufficient partnerships that warrant a partnership protocol.</p> <p>RESPECTING THE RULE OF LAW</p> <p>Constitution identifies the roles for both the District Solicitor as the Councils Monitoring Officer and the Head of Finance as the Section 151 Officer.</p> <p>Established Anti-Fraud and Corruption Policy is in place, approved annually by the Audit Committee, held on Councils intranet site and circulated to staff on a periodic basis (Review Point)</p> <p>Established Anti- Money Laundering Protocol is in place, circulated to key staff on a periodic basis via Review Point.</p> <p>Established RIPA Policy in place, circulated to SMB and Authorising Officers via Review Point - October 2016. Annual report presented to the Audit Committee for their consideration and approval.</p>
<p>B- ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT.</p>	
<p>Rationale Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</p>	<p>Agendas, reports and minutes are published on the Councils website. Meetings are open to the public, unless in the case of exempt items. Dates for submitting, publishing and distributing reports are set and adhered to. Established procedure - Checklist of Relevant Consideration for Decision Making</p> <p>Established Publication Scheme that describes the kind of information available and guidance about how to access information and submit a Freedom of Information request.</p> <p>Able to demonstrate that the Council has adopted best practice as per the Department for Community's & Local Government (DCLG) as regards to the Transparency Code - 2014.</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>Annual publication of the Councils Accounts</p> <p>Annual consultation of the Councils draft budget</p> <p>Corporate Plan and Annual Report which is available on the Councils website.</p> <p><u>Area for Improvement 2:</u> Review to be undertaken to assess the purpose and applicability the current corporate Plan and Annual Report.</p> <p>Action Owner: Head of Democratic Legal and Policy</p> <p>Established process for publishing Quarterly Financial and Performance information-</p> <p><u>Area for Improvement 3:</u> Review to be undertaken to assess the purpose and applicability the quarterly financial and performance process.</p> <p>Action Owner: Head of Finance and Commercial (S151)</p> <p>Engaging with residents, service users and stakeholders</p> <p>Established Communications Strategy which sets out the plan for maintaining /improving communications across the Council with employees, partners, residents, businesses and other stakeholders.</p> <p><u>Area for Improvement 4:</u> Review to be undertaken to assess the purpose and content of the current Communications policy.</p> <p>Action Owner: Head of Democratic Legal and Policy.</p> <p>Established database of stakeholders with Wycombe should engage with. Confirmed by the Head of DLP (May 2017) that the Council does not currently maintain a database of engagement stakeholders.</p> <p>Community Engagement framework that sets out how Wycombe consults with the public, and how the outcomes/results of the consultations are communicated and recorded.</p> <p>Confirmed by the Head of Democratic Legal and Policy (May 2017) that the Council has an Engagement Toolkit to support officers when undertaking a consultation,</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>however no provision is made for providing a report as to the effectiveness of the consultation process and whether the outcomes were achieved.</p> <p>Area for Improvement 5: Review to be undertaken to refresh and update the current Engagement strategy and toolkit Action Owner: Head of Democratic Legal and Policy</p>
C- DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL ASPECTS	
<p>Rationale The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	<p>Wycombe has a corporate plan which sets out the vision and priorities together with its aims and actions which was approved by Cabinet and Full Council in February 2018.</p> <p>Wycombe has an Economic Development Strategy 2017-2027, which sets out the vision and Priorities together with its aims and was approved by Cabinet in and Full Council in February 2018. .</p> <p>Community Engagement Strategy – Confirmed by the Head of DLP (May 2017) that the Council does have a Community Engagement Strategy however it requires updating.</p> <p>Household Survey – when last conducted, results published, action plans and ownership- Confirmed by the Head of Democratic, Legal and Policy, that the last Household survey was undertaken in 2014 and one will be scheduled for next year.</p> <p>Action 6: Schedule Household Survey during 2018/19 Action Owner: Head of Democratic Legal and Policy</p> <p>Local Plan – The Council is in the process of preparing a new Local Plan that will set out how development should take place in the District to further social, economic and environmental objectives. The Plan will be adopted during 2018. It will replace the current plan which is made up of three documents: Local Plan (2003); Core Strategy (2007) and Delivery and Site Allocations Plan (2013). These are the current plans against which any development proposed in the District is assessed, to ensure it meets the right quality standards.</p>
D- DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES	
<p>Rationale</p>	<p>The format of decision making reports ensure that all relevant information is considered</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
<p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types and resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.</p>	<p>such as the analysis of options, resource implications and defined outcomes with an established "Checklist of Relevant Considerations for Decision Making" process in place.</p> <p>Consultation Engagement Policy in place that sets out Wycombe's' commitment to involving local residents in its most important decisions through community engagement and sets out how this works in practice. See Action 1</p>
<i>E- DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT.</i>	
<p>Rationale</p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p>Workforce Strategy which was refreshed and approved in September 2016. Staff development is also included in individual Service Plans. Individual development requirements are included in Performance Management Framework through use of personal development plans.</p> <p>The Council has an established training programme for "the Wycombe Manager"</p> <p>Council values (CARVAC behaviours) are embedded in organisational development</p> <p>Established protocol on Member /Officer relations that assists Members and Officers to achieve good working relationships in the conduct of Council business.</p> <p>A Scheme of Delegation is in place and reviewed in light of legal and organisational changes.</p> <p>Wycombe's Constitution sets out the financial management arrangements through its Financial Regulations and Contract Standing Orders.</p> <p>On line mandatory induction programme is in place for all new officers.</p> <p>Training opportunities is made available through the publication of a corporate training programme.</p> <p>Health and Safety policies designed to both protect and enhance the welfare of staff are actively promoted and monitored (service based H&S plans)</p> <p>Annual employee performance review system in place along with Personal Development Plans. A summary report of performance assessments is presented to SMB.</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>Established Approved Qualification Scheme (AQS) scheme in place.</p> <p>A training needs analysis is undertaken to review training requirements and is included in the Workforce Strategy.</p> <p>A review of the outcomes of the training and development courses is undertaken and included as part of the annual Workforce Report.</p>
F- MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	
<p>Rationale</p> <p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented and can sustain an effective performance management system that facilitates effective and efficient delivery of planned services.</p> <p>Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes.</p> <p>Risk should be considered and addressed as part of all decision-making activities.</p> <p>A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.</p> <p>It is also essential that a culture and structure for scrutiny be in place as a key part of accountable decision-making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p>Managing Risk</p> <p>Established Risk Management Strategy in place, available on intranet, reviewed annually by the Audit Committee. Used to assist Services when compiling operational risk registers as well as individual Risk Owners as part of the Strategic Risk Register.</p> <p>Strategic Risk Register reviewed on a quarterly basis by Strategic Management Board who seeks assurance from individual Risk Owners that the risk register is kept up to date and actions to mitigate risks are implemented.</p> <p>Managing Performance</p> <p>Series of key indicators have been identified which supports the Councils Corporate Plan</p> <p>Assigned officers are responsible for the compilation of performance information and the process is overseen by the Councils Policy Team.</p> <p>Established process whereby quarterly performance reports are presented to the Strategic Management Board and the Audit Committee on a quarterly basis.</p> <p>Established as part of the Constitution that allows an Improvement and Review Commission (IRC) to challenge and debate policy decisions made by the Executive function of the Council.</p> <p>Agenda, minutes of IRC meetings and any associated reports with recommendations to the Executive are published on the Councils website.</p> <p>Annual report outlining the work of the Standards Committee, was endorsed by Standards Committee and reported up to Council. Report detailing: training provided number of referrals and outcomes, any outside assurance as regards operational processes in</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>place.</p> <p>Training for IRC members is provided initially on induction and then on an annual basis or as specific subjects are called in.</p> <p>Established Contract Standing Orders and Financial Regulations sets out the Councils arrangements and aim to ensure that processes operate consistently.</p> <p>Internal control An annual report is produced by the Chief Audit Executive which provides an opinion on the Councils control environment as regards the operation of the Councils control environment.</p> <p>Requirement to introduce a self-assessment of Internal Audits arrangements against the public sector internal audit standards.</p> <p>Established Anti-Fraud and Corruption which is subject to regular review and is approved by the Audit Committee.</p> <p>Established process for producing half yearly reports to the Audit Committee as regards the level of anti- fraud activity undertaken.</p> <p>To introduce a new Local Code of Governance based on the Principles as set out in CIPFA's Delivering Good Governance 2016 Framework.</p> <p>Established process in place whereby the Audit Committee review the Annual Governance Statement (AGS).</p> <p>Established process in that the Audit Committee Terms of Reference are reviewed annually and revised if appropriate to reflect professional bodies' expectations and best practice.</p> <p>Established process is in place that allows for the provision of training to members of the Audit Committee, relevant to their roles</p> <p>Established process is in place to produce an annual report for the workings of the Audit Committee and this is published on the Councils website.</p> <p>Managing Data Established procedures in place for the effective, fair and lawful processing of data as set</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>out in a Data Protection Policy, Record Management Policy and Service based registers.</p> <p>Established Guidelines in place "Information Security and Acceptable Usage" for both new starters and existing officers. Guidelines were considered by Joint Staff and Personnel & Development Committee in March 2016. Last circulated via Review Point in March 2014 and is therefore due for refresh.</p> <p>Data Subjects are informed how and why their personal information is being collected and how it will be processed.</p> <p>Established role of Service based Information Asset Owners, with prescribed terms of reference.</p> <p>Established Information Governance Group in place.</p> <p>Financial Management Compliance with all statutory and regulatory requirements, supplemented by due regard to local government guidelines /practice as issued by advisory bodies such as CIPFA.</p> <p>Financial procedures are documented in Financial Regulations.</p> <p>Established process in place as regards quarterly a budgetary control report to SMB and Cabinet.</p> <p>Established process in place as regards the approval of Treasury Management Policy Statement by Cabinet with half yearly reports to Audit Committee as regards the delivery of the Treasury Management Strategy.</p>
G- IMPLEMENTING GOOD PRACTICE IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY.	
<p>Rationale Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	<p>Transparency – good practice Agendas, reports and minutes are published on the Councils website Adoption and publication of a Transparency Code (based on the National Transparency Code)</p> <p>Annual Financial Statement are compiled, published to timetable and included on the Councils website.</p> <p>Annual Governance Statement compiled and published as line with the requirements of the Annual Financial Statements.</p>

CORE PRINCIPLE	WHAT'S BEST PRACTICE? WHATS IN PLACE? WHATS NEEDED?
	<p>Annual report compiled and published and included on the Councils website.</p> <p>Implementing a Local Code of Governance (the Code) which sets out the Councils governance framework, with the results of the annual review of its effectiveness published AGS, along with any areas for improvement.</p> <p>An effective internal audit service is in place which suitably resourced. The Chief Audit Executive has direct access to Members, the Chair of the Audit Committee and provides assurance on the governance arrangements via an annual report containing an opinion on the Councils internal control arrangements.</p> <p>External Audit provides an annual opinion on the Councils financial statements and arrangements for securing value for money.</p>

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Appendix 1

Policy / Document	CORE PRINCIPLES					
	Ethical Values and respecting rule of law	Openness and stakeholder engagement	Outcomes in terms of sustainable, social and environmental benefits	Interventions necessary to optimise intended outcomes	Capacity and capability of leadership and individuals	Managing risk and performance
Contract Standing Orders	*					*
Financial Regulations	*			*		*
Corporate Plan		*	*			
Procurement Strategy	*		*			
Risk Management Strategy		*			*	*
Anti -Fraud and Corruption Policy	*				*	
Anti - Money Laundering Protocol	*					
Communications Strategy		*	*			
Whistleblowing Policy	*					*
Corporate Comments and Complaints Policy		*		*		
Employment Policies	*				*	
Scheme of Delegation	*	*				*
Officer Code of Conduct	*	*				
Members – Outside Involvement		*				
Members Code of Conduct	*					
Health and Safety Policies and procedures	*					*
Freedom of Information Policy		*				
Information Security & Acceptable Usage Guidelines.	*					
Council Constitution	*	*	*	*	*	*

UPDATE LOCAL CODE OF GOVERNANCE ACTION PLAN – as at March 2018

PART A OUTLINES THE PROGRESS AS REGARDS THE IMPLEMENTATION OF AGREED AREAS FOR IMPROVEMENT FROM THE 2016/17 LOCAL CODE OF GOVERNANCE				
No	Area for Improvement	Owner	March 2018	FOR INCLUSION IN LOCAL CODE OF GOVERNANCE
1	Consider introducing an Annual report outlining the work of the Standards Committee, detailing: training provided number of referrals and outcomes, any outside assurance as regards operational processes.	District Solicitor	The first Annual report was endorsed by Standards Committee on 20 March 2018, and reported up to Council, and approved on 16 April 2018.	No – completed and in place
2	Reminder to be issued to All Members of the need to ensure that all disclosures are made.	District Solicitor	Gifts and Hospitality Guidance was endorsed by Standards Committee 10 th October 2017, approved by Council on 11th December 2017 for inclusion as an Appendix to the Code of Conduct for Members, and has now been added into the Code published within the Constitution. Members have received two reminders via Members Update - September 2017 & 15 March 2018.	No – completed and in place.
3	Consideration is given to compiling an annual report that details, where as a Council, it has learnt from the outcome(s) of a complaint.	Head of Democratic Legal and Policy	New Feedback Officer in post from 9 th April 2018 New Feedback system in place that will help track action taken as a result of a complaint – and learning as a result. 2017/18 Complaints Annual Report and next steps for future reporting: SMB in May 2018.	Partial completion Progress as to the effectiveness and completeness of the annual complaints report to be monitored and reported in the 2018/19 - 6 month update report.

PART A OUTLINES THE PROGRESS AS REGARDS THE IMPLEMENTATION OF AGREED AREAS FOR IMPROVEMENT FROM THE 2016/17 LOCAL CODE OF GOVERNANCE				
No	Area for Improvement	Owner	March 2018	FOR INCLUSION IN LOCAL CODE OF GOVERNANCE
4	Review to be undertaken as regards the: currency of the Whistle Blowing policy, approval process: Member and Officer awareness.	Head of HR, ICT & Shared Support Services	Completed Revised WB Policy in place, following agreement at Personnel and Development Committee on the 4 th October 2017.	Partial completion Policy review completed, although awaiting automated circulation to staff.
5	Further work to be undertaken in 2017/18 in the Democratic, Legal & Policy Team consisting of a review covering both the Constitution and the wider decision making & governance arrangements.	Head of Democratic Legal and Policy	Report to Regulatory and Appeals Committee in November 2017 following recommendation from Regulatory and Appeals Committee in July 2017 that review of the Constitution should be conducted to ensure that the Constitution continues to be compliant with current law and to ensure the Constitution remains clear. A review was undertaken which informed the recommendation to prepare a new Constitution.	Yes Due to the Modernising Local Government work on preparing a new Constitution has not been progressed. Progress to be monitored and reported in the 2018/19 - 6 month update report.
6	Review to be undertaken of current corporate Plan objectives to refresh and update.	Head of Democratic Legal and Policy	New Corporate Plan agreed at Cabinet and Council in February 2018. Document 'live' and accessible on website and intranet from April 2018. Wider staff awareness raising / launch pending due to MLG announcement.	Partial completion
7	Review to be undertaken to assess the purpose and applicability of the quarterly financial and performance process.	Head of Finance and Commercial (\$151)	On track for 2018/19 The new report frequency will be actioned in 2018/19 to provide members with the most up to date information in a timely manner to allow for consideration and decision making.	Yes - progress to be to be reported in the 2018/19 - 6 month update report.

PART A OUTLINES THE PROGRESS AS REGARDS THE IMPLEMENTATION OF AGREED AREAS FOR IMPROVEMENT FROM THE 2016/17 LOCAL CODE OF GOVERNANCE

No	Area for Improvement	Owner	March 2018	FOR INCLUSION IN LOCAL CODE OF GOVERNANCE
8	Review to be undertaken to refresh and update the current Communications strategy.	Head of Democratic Legal and Policy	The “minded to” decision on 12 March 2018 has caused a pause in the review of the Communications Strategy. Work will resume on the review from the end of May 2018, with a view to a new strategy being in place from mid-July.	Yes – progress to be reported in the 2018/19 - 6 month update report
9	Review to be undertaken to refresh and update the current Engagement strategy and toolkit	Head of Democratic Legal and Policy	This work is linked to the Communications Strategy –see comment above.	Yes – progress to be reported in the 2018/19 - 6 month update report

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The Principles of Good Governance Core principles and sub-principles of good governance

Core principles (shown in bold)

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

A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and

Sub-principles (shown in bold)

Behaviours and actions that demonstrate good governance in practice are illustrated in the bullet points.

Behaving with integrity

- Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated, thereby protecting the reputation of the organisation.
- Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes, which are viewed on a regular basis to ensure that they are operating effectively.

Demonstrating strong commitment to ethical values

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation

Core principles (shown in bold)

to respect the rule of law.

Sub-principles (shown in bold)

- Developing and maintaining robust policies and procedures, which place emphasis on agreed ethical values
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation

Respecting the rule of law

- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations
- Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
- Dealing with breaches of legal and regulatory provisions effectively
- Ensuring corruption and misuse of power are dealt with effectively

Openness

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided
- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.

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

Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Engaging comprehensively with institutional stakeholders

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

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear, so that outcomes are achieved successfully and sustainably
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- Ensuring that partnerships are based on:
 - trust
 - a shared commitment to change
 - a culture that promotes and accepts challenge among partnersand that the added value of partnership working is explicit

Engaging with individual citizens and service users effectively

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes
- Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds, including reference to future needs
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
- Taking account of the impact of decisions on future generations of taxpayers and service

Core principles (shown in bold)

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

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Sub-principles (shown in bold)

users.

Behaviours and actions that demonstrate good governance in practice are illustrated in the bullet points.

Defining outcomes

- Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions
- Specifying the intended impact on, or changes for, stakeholders, including citizens and service users. It could be immediately or over the course of a year or longer
- Delivering defined outcomes on a sustainable basis within the resources that will be available
- Identifying and managing risks to the achievement of outcomes
- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available

Sustainable economic, social and environmental benefits

- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types and resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

intended outcomes and short-term factors such as the political cycle or financial constraints

- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs
- Ensuring fair access to services

Determining interventions

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.
- Considering feedback from citizens and service users when 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.

Planning interventions

- Establishing and implementing robust planning and control cycles that cover strategic and operational plan, priorities and targets
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks.

- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances
- Establishing appropriate key performance indicators (KPIs) as part of the planning

process in order to identify how the performance of services and projects is to be measured

- Ensuring capacity exists to generate the information required to review service quality regularly
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan
- Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

Optimising achievement of intended outcomes

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period, in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of ‘social value’ through service planning and commissioning

Developing the entity’s capacity

- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently
- Recognising the benefits of partnership and collaborative working where added value can be achieved
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

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

- Developing protocols to ensure that elected and appointed leaders negotiate with each

E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to

Core principles (shown in bold)

guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub-principles (shown in bold)

- other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body
- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.

- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
 - Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged
 - Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis
 - Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses, both internal and external
- Ensuring that there are structures in place to encourage public participation
- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections
- Holding staff to account through regular performance reviews, which take account of training or development needs
- Ensuring arrangements are in place to maintain the health and wellbeing of the

Core principles (shown in bold)

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny be in place as a key part of accountable decision-

Sub-principles (shown in bold)

workforce and support individuals in maintaining their own physical and mental wellbeing

Managing risk

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
- Ensuring that responsibilities for managing individual risks are clearly allocated

Managing performance

- Monitoring service delivery effectively, including planning, specification, execution and independent post implementation review.
- 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.
- Ensuring an effective scrutiny or oversight function is in place that provides 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
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)

Robust internal control

- Aligning the risk management strategy and policies on internal control with achieving objectives
- Evaluating and monitoring risk management and internal control on a regular basis

Core principles (shown in bold)

making, policymaking and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned

Sub-principles (shown in bold)

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

Managing data

- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
- Reviewing and auditing regularly the quality and accuracy of data used in decision-making and performance monitoring.

Strong public financial management

- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance
- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

Implementing good practice in transparency

- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate
- 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.

Core principles (shown in bold)

with not only reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-principles (shown in bold)

Implementing good practices in reporting

- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way
- Ensuring members and senior management own the results reported
- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)
- Ensuring 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

Assurance and effective accountability

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

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