



GA.24 14/15

Committee: Governance & Audit

Date: 25th September 2014

Subject: Annual Governance Statement 2013/14 and Action Plan

Report by:

Director of Resources

Contact Officer:

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Purpose / Summary:

To present to Members the Annual Governance Statement for 2013/14

- 1) RECOMMENDATION(S): 1. That Members review the attached Annual Governance Statement and confirm that there are no concerns that need to be brought to the attention of the Council.**
- 2) That Members approve the Annual Governance Statement and associated Action Plan.**
- 3) That Members sign off the Action Plan for 2012/13 as completed.**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

Financial: FIN/61/15

None

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: Risk management arrangements are part of corporate governance and issues raised under these arrangements have been included in the Annual Governance Statement

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

Internal Audit Annual Report

Accounts and Audit (England) Regulations 2011

CIPFA Delivering Good Governance in Local Government Framework 2012

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Executive Summary

1. Background

- 1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner."
- 1.4 The Council is required to produce an Annual Governance Statement for approval by 30th September 2014 to accompany the Council's Statement of Accounts.
- 1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve full assurance.

2 Developing the Annual Governance Statement

- 2.1 Sources of information used to develop the Statement include:
 - The development of the framework itself
 - The Combined Assurance Report 2013/14
 - Internal Audit Annual Report
 - Internal Audit "limited assurance" reports
 - The management of strategic and corporate risks
 - External Audit Annual Audit Letter
 - Complaints and lessons learnt
 - Consultation results
 - Ombudsman investigations
 - Corporate functions assurance statements – legal, Health & Safety, ICT. Procurement
 - Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk management
 - Financial and legal implications
 - The position with actions to achieve assurance from the 2012/13 Annual Governance Statement Action Plan

3 The Framework

- 3.1 The Governance Framework follows the six CIPFA principles of good governance and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.
- 3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.

4. Annual Governance Statement 2013/14

- 4.1 The Statement for 2013/14 is available for review at Appendix One.

5. Issues

- 5.1 Issues that have been identified as requiring attention to ensure good governance and which will be addressed in the coming year are:
- o **Local Plans Team** - There remains a concern over the progress of the Core Strategy to be delivered by the Local Plans Team. The outcomes of the Team are to produce a plan which both meets the wider strategic needs of Lincolnshire and also ensures that West Lindsey's own housing needs are considered and addressed.
 - o **Asset Management** – A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters so that the asset base is understood and its use maximized and there is a coherent approach to asset acquisition and disposal.
 - o **Partnership Governance** - A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters; particularly in relation to accountability arrangements in respect of partnership working.
 - o **Senior Management Restructure** - to create effective leadership and management and define clear roles and responsibilities.
 - o **Counter-fraud arrangements** – to ensure that the processes and systems in place are effective in monitoring and managing the risk of fraud.
 - o **Development of a Data Quality Policy** – the intention is for high-quality data to be an integral part of the Council's operational, performance management and governance arrangements so that it drives service improvement and informs policy.
 - o **Political Governance and Effectiveness of Committees** – to ensure that Committees are working to their optimum and are in line with their terms of reference and decision making is streamlined where appropriate.
 - o **National Non-Domestic Rates & Growth** – A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of

actions have been put in place to address matters and ensure that desired outcomes are clearly defined and success can be quantified and measured.

- o **Progress & Delivery of the Corporate Plan** – to ensure that an effective process is in place to support the monitoring and reporting to Members of programme and project development and the reporting of relevant service level performance against agreed measures in a timely manner.
- o **Project Management** – to ensure that an effective methodology is embedded and adopted across the Council and that both its use and effectiveness are reviewed.

6. Annual Governance Statement 2013/14 Action Plan

6.1 To address the issues raised at 5.1 above an action plan has been developed containing SMART actions which when completed will realise a satisfactory state of affairs. The action plan is the main vehicle through which Members of the Governance & Audit Committee are provided updates on progress against the completion of the required actions.

6.2 The action plan is attached at Appendix Two for review.

7. Annual Governance Statement 2012/13 Action Plan

7.1 Progress has been made against the issues identified for inclusion within last years' action plan to such an extent that all actions have been completed.

7.2 The 2012/13 Action Plan is available for review at Appendix Three.

7.3 Members are asked to confirm their satisfaction with the stated position.

WEST LINDSEY DISTRICT COUNCIL

Annual Governance Statement 2013/14

Annual Governance Statement 2013/14

SCOPE OF RESPONSIBILITY

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

In discharging this overall responsibility, West Lindsey District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

West Lindsey District Council has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the authority's framework is on our website contained within the [Codes and Protocols](#) section of the Constitution.

This Annual Governance Statement explains how West Lindsey District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulations 4(3) and 4(4), which requires all relevant bodies to prepare and publish an annual governance statement.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. 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 services and value for money. The framework has been reviewed during the year and is deemed to be relevant and robust.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk 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 ongoing process designed to identify and prioritise the risks to the achievement of West Lindsey District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at West Lindsey District Council for the year ended 31 March 2014 and up to the date of approval of the statement of accounts at Governance & Audit Committee on 25th September 2014.

THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS

The Governance Framework is presented in detail at Appendix 1 with commentary about improvements made during the year and improvements still required.

West Lindsey 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 is informed by:

- 1. The Combined Assurance Report – made up from:**
 - a) Feedback from senior managers within the Authority who have responsibility for the development and maintenance of the governance environment on its effectiveness within their areas
 - b) An independent review by the Corporate Governance Team
 - c) The findings of the Annual Audit Work Plan
 - d) Third Party assessment e.g. peer review
- 2. The Annual Review of Complaints**
- 3. The Annual Review of the Constitution**
- 4. The Annual Review of the effectiveness of Internal Audit**
- 5. The Annual Review of Whistleblowing**
- 6. The Annual Review of Fraud**
- 7. The Head of Internal Audit’s annual report which concluded that the Authority’s overall assurance rating had improved from a performing inadequately rating (red) to a performing adequately rating (amber).**
- 8. Comments made by the external auditors and other review agencies and inspectorates.**

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this governance statement and the arrangements are deemed as being fit for purpose.

The areas already addressed and those to be specifically addressed via an action plan to be developed in the coming year are outlined below.

SIGNIFICANT GOVERNANCE ISSUES

Over the last year the Council has made significant effort to strengthen corporate governance and to communicate across the organisation that it is an essential component of corporate activity. This work followed a performing inadequately rating by our auditors and a later audit review of a major regeneration project known as ‘The Elswitha Report’ which recommended the need to embed robust approaches to investment and project management. These issues were addressed via an Action Plan. A separate Corporate Governance Action Plan was developed to address the

wider governance related issues as reported by Internal Audit. We have also reviewed management processes to strengthen governance and accountability and increased our capacity, initially in the form of the appointment of two Interim Directors who have been subsequently replaced following the appointment on a permanent basis of a Director of Resources and a Commercial Director who join our existing Chief Operations Officer. Their roles; objectives and effectiveness will be monitored by both the Head of Paid Service and Members. Our senior management restructure, which is underway, will complement this approach. We have also simplified our processes in relation to project management and investment decision making to provide clear guidance and support. Training for staff and Members has also taken place as have workshop sessions and regular feedback to Members and Core Management Team (CMT) on governance related matters. We have also introduced Approved Codes of Practice to provide clarity and ensure accountability for the consistent application of relevant processes and procedures.

During 2013/14 West Lindsey District Council has also regularly reviewed progress against the significant issues identified in the previous year's AGS (2012/13). Issues that have been sufficiently progressed and so are now removed from the AGS (2012/13) action plan are:

1. **Outcomes Performance Management** – significant work has been undertaken with the scrutiny committee to review the Council's approach to outcome performance management and changes have been made to the Corporate Plan delivery tables and Progress and Delivery reports to ensure they are fit for purpose.
2. **Risk Management** – The Risk Management Strategy was refreshed and approved and a series of action learning risk workshops have taken place with all risk owners. The strategic and corporate risk registers are now standing items on the CMT agenda and form part of the Progress and Delivery reports.
3. **Project Management** – Significant improvements have been made to the Project Management Methodology to provide clarity and simplify matters. Action learning workshops have taken place with relevant staff and Members and the delivery board governance arrangements have been strengthened.
4. **Constitution** – A thorough review of the Constitution has taken place this year involving Members and key officers and was overseen via the Corporate Governance Improvement Programme.

(The first four have all been addressed within the Corporate Governance Improvement Programme as individual projects. The Programme was instigated following receipt of a performing inadequately rating in relation to the Council's corporate governance arrangements, from the Head of Internal Audit.)

5. **Information Governance** – An Information Governance group has been setup and is working effectively with a number of key policies having been refreshed and reapproved this year and a schedule is in place for the remaining policies to be reviewed. Technical changes have been made to ICT equipment to ensure

information security and staff are currently working through an online awareness programme.

6. **Ensuring that the Finance Matters project delivers appropriate checks and training for managers in financial planning** - This has been delivered during the year in the form of workshops and training to enhance the financial skills and acumen of staff; the development of the financial management system to improve the effectiveness of financial reporting; the development of appropriate strategies to ensure support for corporate priorities and a comprehensive review of fees and charges.
7. **ICT Infrastructure Security** – The Council has achieved compliance with the requirements of the Public Service Network (PSN) and has received its certificate of compliance from the Cabinet Office.
8. **Joint Planning Unit** - to ensure that the Core Strategy is delivered. This was submitted in December 2013, but withdrawn following advice and is being re-addressed. Progress will be monitored via the Action Plan for 2013/14.

SIGNIFICANT CURRENT ISSUES TO BE A FOCUS IN 2014/15.

It is imperative that over the next year we remain focussed on embedding our revised project management methodology and investment processes and monitor their effectiveness. Additionally, the production of relevant Approved Codes of Practice will continue.

During the year we have brought to a close the Corporate Governance Action Plan and the Elswitha Action Plan as all actions contained within both plans have been completed.

Those issues that have been identified as requiring particular attention during 2014/15 are reproduced below. These were identified by CMT; via reference to Internal Audit opinion and through the work undertaken to complete the Council's Combined Assurance Report for 2013/14. Progress will be made in 2014/15, monitored and driven forward by the CMT and the Governance and Audit Committee in conjunction with the Challenge and Improvement Committee.

The significant issues identified are:

1. **Local Plans Team** - There remains a concern over the progress of the Core Strategy to be delivered by the Local Plans Team. The outcomes of the Team are to produce a plan which both meets the wider strategic needs of Lincolnshire and also ensures that West Lindsey's own housing needs are considered and addressed.
2. **Asset Management** – A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters so that the asset base is understood and its use maximized and there is a coherent approach to asset acquisition and disposal. Progress will be monitored via CMT.
3. **Partnership Governance** - A recent Internal Audit into this area concluded

with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters; particularly in relation to accountability arrangements in respect of partnership working. Progress will be monitored via CMT.

4. **Senior Management Restructure** - to create effective leadership and management and define clear roles and responsibilities.
5. **Counter-fraud arrangements** – to ensure that the processes and systems in place are effective in monitoring and managing the risk of fraud.
6. **Development of a Data Quality Policy** – the intention is for high-quality data to be an integral part of the Council’s operational, performance management and governance arrangements so that it drives service improvement and informs policy.
7. **Political Governance and Effectiveness of Committees** – to ensure that Committees are working to their optimum and are in line with their terms of reference and decision making is streamlined where appropriate.
8. **National Non-Domestic Rates & Growth** – A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters and ensure that desired outcomes are clearly defined and success can be quantified and measured. Progress will be monitored via CMT.
9. **Progress & Delivery of the Corporate Plan** – to ensure that an effective process is in place to support the monitoring and reporting to Members of programme and project development and the reporting of relevant service level performance against agreed measures in a timely manner.
10. **Project Management** – to ensure that an effective methodology is embedded and adopted across the Council and that both its use and effectiveness are reviewed.

We propose over the coming year to take steps to address the above matters via an action plan to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review. There have been no significant events or developments relating to the governance system between the year-end and the date on which the Statement of Accounts were signed by the responsible financial officer.

Signed

Date

Leader of the Council on behalf of West Lindsey District Council

Signed

Date

Chief Executive on behalf of West Lindsey District Council

APPENDIX 1 - THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS

1. The Council's Vision

Objective: Developing, communicating, operationalising and reviewing the Council's vision.

This section incorporates information relating to:

- Identifying and communicating the Council's vision
- reviewing the Council's vision and its implications for the Council's governance arrangements
- translating the vision into objectives for the Council and its partnerships

To help identify priorities the Council analyses information from external sources, internal statistics, engagement events and horizon scanning reports.

Priorities are tested further through public consultation with both the Citizen's Panel (an established representative group of up to 1500 local residents) and residents more generally. This is supplemented by engagement with a range of businesses and third sector organisations and Member workshops, which build on the identified community priorities.

The Council commenced a fundamental review of the Corporate Plan in 2011/12 and reviews the plan annually. The third review was approved at Full Council on 27th January 2014. The overall vision has been reviewed and strategic priorities developed. The vision is:

"West Lindsey to be seen as a place where people want to live, work, invest & visit."

The strategic themes agreed to be delivered through to March 2018 are:

- Theme 1: A prosperous and enterprising District
- Theme 2: An accessible and connected District
- Theme 3: A green District where people want to live, work and visit.
- Theme 4: Active and, healthy citizens and communities
- Theme 5: Organisational Transformation

The Council publishes its [Corporate Plan](#) on its website in accordance with requirements for transparency and making information available for local people.

The Council's Corporate Plan is delivered through a number of Programme Boards which have clear terms of reference outlining responsibilities for delivery. The programme board delivery plan is further translated into service plans, team plans and personal actions (through the appraisal process), which contain specific key objectives, desired outcomes, responsibilities and targets. This ensures that the necessary resources, both staff and financial, are allocated to deliver the service plans.

The Council continues to operate in a challenging short and medium term financial environment. This challenge is not new to the Council and it has, since 2008, undergone a significant review of its services to realise substantial savings. However, for the year ending 31 March 2013 the authority came under increasing financial pressure as a consequence of further cuts in government funding and the restructuring generally of local government finance (see [Medium Term Financial Strategy 2013/14 to 2017/18](#) for details of the impact).

Within this context the priorities for the Financial Strategy are to maximise available resources through effective and efficient delivery of services and identify and drive innovative approaches to service delivery and resourcing. This is increasingly important as the resources available become even scarcer and financial pressures continue to mount. The positive action taken by the Council to date means that it is relatively well placed to respond to these challenges. There are however unprecedented times ahead and it is essential that the Council continues to take proactive and sustained action as without this the Council's financial position will not be sustainable in the longer term.

Budgets are controlled and monitored by Budget Managers who are supported by regular liaison meetings with the Council's Accountants. Budget and performance monitoring is reported to Members and CMT in the form of regular Progress and Delivery Reports.

A robust process of monitoring, and responsible actions in managing its budget ensures the Council remains in a good position to achieve the additional savings/income targets of approximately £3m in three years in a considered manner.

To enhance the financial acumen of staff, a 'Finance Matters' programme has been delivered, with the intention to:

- improve strategic financial management throughout the authority
- ensure robust financial controls are in place
- deliver a sustainable budget
- increase income including Council Tax and Business Rates

This has been achieved through a number of initiatives including:

- Processes – reviews of fees and charges, central support, Budget Strategy, development of a Capital Investment Strategy and Reserves Strategy ensuring a framework for ensuring resources meet corporate priorities.
- Reporting – development of systems to deliver increasingly effective budget monitoring reports.
- Skills - e-learning, business 'bootcamp' workshops, specialist training including commercial acumen and negotiating skills.

2. Measuring the Quality of Services

Objective: Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources and value for money

Performance Management & Value for Money

The Council has worked with the Challenge and Improvement (scrutiny) committee this year to review the effectiveness of the Progress and Delivery report in monitoring and reporting on performance. A number of improvements were identified which have resulted in an improved focus for the report. The Chief Operating Officer is responsible for performance management and will provide:

1. Monthly reports to the CMT
2. Progress and Delivery reports to the policy committees and the scrutiny committee

The effectiveness of the new approach will be monitored during the year to ensure that the Progress and Delivery report produces meaningful information for Members in a timely manner which accurately reflects the position.

Individual performance is discussed via the appraisal system for employees, which continues to be monitored to ensure that it is applied consistently. Analysis shows that 95% of all appraisals were conducted in the year. Work is required to achieve 100% completion.

The Council has adhered to the transparency agenda by publishing spend over £250 on the Council's web site on a monthly basis and continues to meet the legal requirements to publish equality objectives which are included in the Corporate Plan.

The Council has an IT Security Policy which defines responsibility for IT security and has control mechanisms in place to ensure compliance with the PSN requirements. Significant work has been undertaken during the year to achieve PSN compliance.

Partnerships

To achieve value for money and the best use of resources, the Council has adopted a positive approach to partnership working and has a number of shared working arrangements with North Kesteven District Council. These are mainly focused on driving operational savings and resilience and include NNDR collection services, a shared finance system, shared ICT Manager, shared Web Manager and shared GIS and LLPG management. These arrangements are supported by a Partnership Umbrella agreement and specific service agreements.

The two Councils are currently merging their ICT infrastructure into a single domain. Governance arrangements are currently being developed to ensure that both authorities will be working to an agreed terms of reference and in accordance with the constitution of each partner authority.

Other key partnerships include Lincolnshire Legal Services, Procurement Lincolnshire and the creation of a formal statutory body to consider planning policy across Central Lincolnshire. Key contractual partnerships are in place for a range of services including the Leisure Centre operation (SLM) and delivery of our community

enablement funds (Cann and Plunkett). These contractual relationships are covered by detailed contracts incorporating performance management aspects.

Customer Feedback

The Council recognises the role that customer feedback plays in assessing the quality of the services delivered. Customer satisfaction is an integral component of the Council's performance measurement metrics and an annual review of complaints is reported to CMT, wider management and Members via a report to the Governance & Audit and the Challenge and Improvement Committees detailing the type and volumes of complaints and comparative analysis with previous years. Contextual information is also provided. [The report](#) is also published on the Council's web site

In addition a pro-active stance is taken across a number of services in the form of customer satisfaction surveys. The consistent application of this across the Council is a key aim in support of effective performance management.

3. Roles, Responsibilities and Delegations

Objective: Defining and documenting the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnerships arrangements

The Council has an overview and scrutiny function and there is a clear split between Policy and Scrutiny. Overview and Scrutiny contributes to the decision making process.

The Council's policy and decision-making process is defined in detail in the Constitution but can be summarised as follows: -

- a) The Budget and Policy Framework is decided by Council, and has significant links to the Corporate Plan
- b) Most day-to-day decisions are made by one of the two Policy Committees who have delegated authority by Council to deliver approved Policy.
- c) The Policy and Resources Committee formulates policy, plans and strategies which do not form part of the Council's Policy Framework. They are responsible for the effective use of all council resources whether land finances, property or personnel.
- d) The Prosperous Communities Committee deals with economic development, leisure and cultural, environmental issues and community issues. They formulate Policy, plans and strategies other than those identified for adoption by the Council or the Policy and Resources Committee
- e) The scrutiny function is provided by the Challenge and Improvement Committee which examines the activity of the Policy Committees to ensure they deliver council policy
- f) The Challenge and Improvement Committee works to an individual work programme of matters to be considered for the year ahead and there is a monitoring role for the Committee to ensure delivery of the programme
- g) The Challenge and Improvement Committee can also establish time limited

- groups to carry out in depth reviews
- h) Quasi-judicial matters such as Planning and Licensing are dealt with through separate Planning and Licensing Committees

The scheme of delegated and reserved powers is set out within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation.

The Annual Council meeting each year considers a report from the Monitoring Officer which reviews the Constitution to ensure it remains robust and effective. This allows for appropriate amendments to be made

There are protocols for effective communication which include:

- a) Member/Officer Relations Protocol
- b) Leaders Panel regularly meet with designated officers and Chief Officers
- c) There is a Members Forum
- d) Call in protocol which enables a decision of the Policy Committees to be questioned by Scrutiny before it is finally approved

The Chief Executive and Leader have established a communication process and they have mechanisms in place to manage the delivery of objectives.

In respect of partnership working, a recent internal audit report has highlighted some weakness in our approach to and governance arrangements in relation to partnerships. The actions required to improve matters will be worked on and include the development of a corporate partnership register; the requirement for effective performance management processes in relation to partnerships and the production of an Approved Code of Practice to provide colleagues with guidance and support.

4. Standards of Behaviour

Objective: Developing, communicating and embedding codes of conduct, defining the standards of behavior for Members and staff

It is vital that there is a constructive working relationship between elected Members and Officers and that the respective roles are carried out to a high standard.

The Council's leadership is responsible for setting a tone for the organisation and it is tasked with creating a climate of openness, support and respect. A new set of organisational behaviours are in place and revised core values are being produced. Lead Member positions also have clear role descriptions set out within the Constitution and these make reference to the behaviours expected when undertaking their duties.

Standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols.

This includes:

- a. Members and Co-opted Members Code of Conduct
- b. Guidance when dealing with Planning Matters
- c. Protocol on Member/Officer Relations (Operational Conventions protocol)
- d. Officer Code of Conduct
- e. Whistle Blowing Policy
- f. Complaints Procedure
- g. Anti-Fraud and Corruption Policy
- h. Local Code of Corporate Governance

The Council has updated the Members' related codes of conduct. It has approved and developed the Standards Sub-Committee which has taken over from the Standards Committee and reports of its work are taken through to the Governance and Audit Committee or full Council (if deemed appropriate). This sub-committee plays a significant role in promoting and maintaining high standards of conduct between elected and co-opted Members and hearing complaints where standards of behaviour fall short of what is expected. In particular the role of the Committee is:

- a) promoting and maintaining high standards of conduct by councillors and co-opted Members
- b) assisting the councillors and co-opted Members to observe the Members' Code of Conduct
- c) advising the Council on the adoption or revision of the Members' Code of Conduct
- d) monitoring the operation of the Members' Code of Conduct
- e) advising, training or arranging to train councillors and co-opted Members on matters relating to the Members' Code of Conduct
- f) granting dispensations to councillors and co-opted Members from requirements relating to interests set out in the Members' Code of Conduct
- g) to hear complaints locally regarding alleged breaches of the Code
- h) exercising such other functions as the Council considers appropriate; and
- i) the exercise of (a) to (g) above in relation to the town/parish councils/meetings and their Members in the Council's area

Members have received training on the new code of conduct which includes ethics. Extensive Member and Officer development sessions have also been held, facilitated by our External Auditors and working with peer Members and officers of the London Borough of Lambeth.

There is a code of conduct for employees and there is also an induction process in place which includes conduct.

There is an appraisal process in place for both Members and Officers which allows a development plan to be put in place.

The Council has an [Anti-fraud and anti-corruption policy](#) and also a [whistle blowing policy](#) in place. These are reviewed and approved on an annual basis, with [Anti-fraud information](#) also available on the web site.

There are registers of gifts and hospitality, interests, and secondary employment. During the year (and especially around Christmas and holiday periods) Members and staff are reminded of the procedure for registering gifts and hospitality and more senior staff are regularly reminded of the need to do this. Procedures for dealing with conflict of interest are in place. Arrangements are in place to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

Rules and procedures are set out in the Constitution including Members Code of Conduct, operation of the Standards Sub-Committee, Procedure Rules for Committees, Financial and Contract Procedure Rules and Scheme of Delegation.

The Monitoring Officer and Chief Finance Officer also have clear supporting roles.

Awareness of probity issues amongst managers is raised through regular reminders that are sent out to all staff.

The Council has an investigation and disciplinary process for conduct issues and action is taken against employees where conduct falls below that expected. At a Chief Officer level this function is undertaken by elected Members and there are clear rules of procedure defined in the Constitution.

5. The decision making framework

Objective: Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The scheme of delegated and reserved powers is set out within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation.

A Scrutiny Committee (Challenge & Improvement) is in place and has clear terms of reference. Their operation is covered in the Constitution.

The Council has a robust reporting process in place. There is a committee timetable and Democratic Services identify agendas with the services. The committee report template requires report authors to seek professional comment on proposals from finance and legal colleagues. It also prompts officers, where appropriate, to detail at least three options for consideration with a recommended option highlighted and to also consider legal, staffing and equalities matters and to assess risk.

The meetings of the Council have appropriate agendas, reports and minutes which demonstrate data quality.

An action plan was put in place and has been worked through to strengthen, (among other matters) our approach to decision making in relation to major or large scale investments.

The Council uses training, Approved Codes of Practice and manuals to help staff operate systems.

The Council has clear policy and guidance on managing risk, which has been developed and communicated over the last few months.

Three delivery boards are in place to manage the delivery of the Corporate Plan. These boards are:

- **Commercial Board**– responsible for the Council’s Transformation Programme. All other boards also feed through to the Commercial Board which makes approvals through the project gateways
- **Growth Board** – which drives forward the Growth agenda
- **Entrepreneurial Board** – which focuses on the delivery of specific programmes assigned to it

Each board is sponsored by a Director and has specific terms of reference.

In respect of partnerships, it has been identified that work is required on our approach and this will include reference to responsibility for decision making; how decisions will be made and how to deal with disagreement.

Data quality contributes to the achievement of, and underpins, the Council’s priorities. The Council is committed to high standards of data quality and must take care to ensure that the data and information used throughout the organisation and in particular in relation to performance management is fit for purpose.

While we currently make every effort to assure the quality of our data through our processes and procedures and we have identified the need for a formal Data Quality Policy to guarantee this, we have not yet produced one and will aim to address this in the next year.

6. Risk Management

Objective: Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Council refreshed its [Risk Management Strategy](#) during 2013 which was approved by the Governance and Audit Committee on 27th June 2013. The new strategy has been supported by action learning sessions with all members of the management team; service and team managers and risk owners. Approved Codes of Practice support the strategy to outline operational procedures and roles and responsibilities.

Service risk registers are maintained on a central system which enables risk owners to raise the risk for ownership by the CMT by flagging it as a Corporate Risk.

The Corporate Risk Register identifies significant risks relating to the delivery of council operations. The register is reviewed monthly by the CMT to gain assurance that corporate risks are being managed.

The Strategic Risk register identifies risks to the delivery of the outcomes in the Corporate Plan. The register is also reviewed monthly by the CMT and quarterly by the Leaders Panel and the Governance and Audit Committee. Moving forward, the strategic risk register will be reported alongside the revised Corporate Plan Progress and Delivery (performance) report.

The Governance and Audit Committee have a responsibility as part of their terms of reference for approving the Risk Strategy and maintain an overview of risks. The committee has appointed a member risk champion who has clear terms of reference.

7. Counter-fraud and anti-corruption

Objective: Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

We have acted upon internal audit findings by refreshing our [Anti-Fraud, Corruption and Money Laundering Strategy](#). This was approved on the 9th January 2014 by the Governance and Audit Committee. It stresses a zero tolerance approach and is part of a suite of policies covering:

- Whistleblowing Policy
- Disciplinary Policy
- Covert Surveillance Policy
- Codes of Conduct for Members and Officers
- Risk Management Policy and Strategy
- Gifts and Hospitality
- Standing Orders

The policy applies to:

- All West Lindsey District Council Employees.
- Councillors and independent Members
- Staff and members of Council funded voluntary organisations
- Partners
- Suppliers, contractors and consultants
- Residents

Members of staff, partners and contractors have all been reminded of the policy and how to raise any concerns, or report suspected fraud or corruption, through a series of leaflets and posters. An anti-fraud presentation forms part of the corporate induction process.

The Governance and Audit Committee receive a yearly report on anti-fraud and corruption arrangements and action that has been taken to investigate and prosecute cases.

The Council also takes part in the National Fraud Initiative (NFI); an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

8. Management of Change

Objective: **Ensuring effective management of change and transformation**

The Council has undertaken in a structured manner a series of InDepth Service Reviews, the findings and recommendations of which are being collated to inform a Transformation Plan for the Council. This will form the basis of our approach to meet the financial challenges we face over the next few years while also ensuring that service delivery levels and quality can be maintained.

Responsibility for the delivery of different aspects of the Transformation Plan has been assigned to each Director. Governance arrangements are in place in the form of Board scrutiny, effective project management, Progress and Delivery reporting against projects and programme development. Members are also part of this process and regular reports are produced to keep them updated.

Effective communication is regarded as crucial to delivering effective change and strong links have been forged between the relevant Boards and the communications team to ensure the Council as a whole is kept abreast of developments.

A proposed restructure has been instigated to ensure we have a senior management structure in place which meets identified service delivery and governance needs of the Council. The first phase of this was completed by the end of July 2014 with the appointment of the two new directors and the whole restructure will be finalised by the end of January 2015 with the completion of the review of the roles of the Strategic Heads.

9. Role of the Chief Financial Officer

Objective: **Ensuring the authority's financial management arrangements conform with the governance requirements of the [CIPFA Statement on the Role of the Chief Financial Officer in Local Government \(2010\)](#) and, where they do not, explain why and how they deliver the same impact**

The Council has designated the Head of Finance as the Chief Finance Officer under Section 151 of the Local Government Act 1972. This officer has statutory responsibility for the proper planning, administration and monitoring of the Council's financial affairs. The Council's financial management arrangements also conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The financial management of the Council is conducted in accordance

with the Financial Procedure Rules set out in the Constitution. The financial management system includes:

- A five year Medium Term Financial Strategy which is reviewed and updated annually to support the delivery of the Council's strategic priorities
- An annual budget cycle incorporating Council approval for revenue and capital budgets as well as treasury management strategies
- Financial Procedure Rules that are reviewed at intervals of not more than three years. The latest review was carried out during 2013/14. Relevant amendments are made when required
- Process and procedure guidance manuals
- Regular budget monitoring by budget holders through monthly financial monitoring meetings and reports
- Three reports per year to CMT and Members relating to the Council's financial position stating financial and performance information
- Management of risk in key financial areas by specific quarterly monitoring
- Annual accounts supporting stewardship responsibilities which are subjected to external audit and which follow the Code of Practice on Local Authority Accounting in the UK in line with International Financial Reporting Standards.

10. Role of the Head of Internal Audit

Objective: Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact

The [CIPFA statement on the Role of the Head of Internal Audit \(2010\)](#) states that the Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

1. Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments
2. Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control

To perform this role the Head of Internal Audit:

3. Must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
4. Must lead and direct an internal audit service that is resourced to be fit for purpose; and

5. Must be professionally qualified and suitably experienced

A review of the CIPFA statement has taken place and no matters of concern were identified. The Head of Internal Audit reports to the CMT and the Governance & Audit Committee on a regular basis in relation to audit and governance related matters.

The Council has also drawn up in conjunction with Internal Audit, a draft Internal Audit Charter which was presented to the Governance & Audit Committee in January 2014. The Charter re-defines the terms of reference for Internal Audit by setting out the nature, role, responsibilities and authority of the Internal Audit service within the Council.

The Constitution identifies that the Chief Finance Officer is responsible for providing an efficient and effective Internal Audit service, which will comply with relevant legislation and best auditing practice.

11. Role of the Monitoring Officer

Objective: Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The [Constitution](#) covers the key statutory role and functions of the Monitoring Officer. It also includes the requirement for the Council to ensure that the Monitoring Officer has access to sufficient skills and resources to undertake the role. The Monitoring Officer has confirmed that this is the case and he continues to monitor this

There is a specific job role which reflects the Monitoring Officer duties. The Monitoring Officer is line-managed by the Chief Executive who provides mentoring support. No conflict of interest in this line management structure has been identified.

12. Role of the Head of Paid Service

Objective: Ensuring effective arrangements are in place for the discharge of the head of paid service function

The statutory provisions are included in the [Constitution](#). The authority does not share its Chief Executive with other authorities.

The Leader and the Chief Executive have agreed corporate objectives and key priorities for the year. From that the Chief Executive has agreed with the Leader key work objectives for both the Chief Executive and Directors. Monitoring against progress is achieved via regular liaison between relevant parties.

13. The Audit Committee

Objective: Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities

The Council maintains and operates a Governance & Audit Committee which is independent of the Policy Committees and the scrutiny function. Membership includes up to two independent Members. The Committee receives training and has a defined work plan. Substitutes are not permitted unless the substitute has undertaken specific audit committee training.

The core functions of the [Governance and Audit Committee](#) are set out in the Constitution. Terms of reference have been updated to take account of CIPFA guidance and the Committee operates to these.

Some Audit Committee Members are also Members of the scrutiny committee. This arrangement has been agreed by Full Council.

14. Compliance with laws and regulations

Objective: Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Constitution and relevant job descriptions outline Officer, Member, Committee and Council responsibilities.

Lincolnshire Legal Services hold a central library of all relevant legislation. The Corporate Governance Team maintains a horizon scanning function which feeds into monthly horizon scanning reports to the Corporate Management Team and Service and Team Managers. However, departments take responsibility for receiving and operating to new legislative responsibilities as they arise.

Legislation and Statutory Instruments are dealt with and assessed as they are received (from a range of sources including national email alert systems). Changes in legislation have been implemented successfully with no major issues arising.

The communication of local policies and procedures is embedded in a number of different ways such as Wider Management Team meetings and workshops, team briefings and local training etc. Officers ensure that they are aware of and comply with laws and regulations which are relevant to their roles.

The Council's statutory officers are the Head of Paid Service (Chief Executive), the Section 151 Officer (Head of Finance) and the Monitoring Officer (Head of Central Services). These officers are responsible for ensuring that the Council acts within the law and in accordance with established policy and procedure.

Counsel opinion may be obtained in certain circumstances and unusual transactions are referred to the External Auditor for consideration.

The Section 151 Officer is specifically responsible for the proper discharge of the Council's financial arrangements and must advise elected Members where expenditure is likely to exceed resources.

Where any proposal is unlawful, the Section 151 Officer, jointly with the Monitoring

Officer, have a duty (should such a scenario arise) to discuss with the Head of Paid Service.

Directors and senior management carry responsibility for ensuring that legislation and policy relating to service delivery and health and safety are implemented. A disciplinary process is in place for both staff and Members for any breaches.

The Governance and Audit Committee receive reports by Internal Audit which will include review of compliance with legislation. This provides the Committee with an overview of compliance with policy and procedures and it can request attendance of managers to provide further assurance.

15. Whistleblowing arrangements

Objective: Arrangements for whistle blowing and for receiving and investigating complaints from the public

The Council refreshed its [Whistleblowing Policy](#) in February 2014 to reflect new internal structures. The policy is available for reference via the Council's web site and internal intranet and its existence and content is regularly communicated to staff. The Council also works in partnership with Lincolnshire County Council and fellow Lincolnshire authorities to develop and produce a county wide 'Fighting Fraud' leaflet.

The Council also has in place a customer complaints, compliments and comments procedure. This was refreshed in 2013 and is monitored to ensure it remains relevant. A further review is planned for 2014 to ensure the opportunity for the public to contact the Council is not put at jeopardy as the Council rolls out its e-accessibility programme. The procedure is available for view on the intranet and web site. When complaints are received an internal independent officer is appointed to investigate and in certain circumstances an external appointment may be made. One of the key aspects of the policy is our desire to learn from complaints to rectify matters if required. Where appropriate, complaints that have been referred to the Ombudsman are brought to the attention of CMT.

16. Member and Officer Development

Objective: Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

The [Member development plan](#) was agreed at the Governance and Audit Committee in November 2013. The plan was compiled from a number of sources:

- Requirements from the Constitution
- Areas for development recommended for each committee
- Individual meetings with Members
- Areas of interest
- Changes to the local government environment including legislation

The Committee agreed the plan and also agreed that an update report be provided

to Members on a six monthly basis to review progress and to inform the refresh of the plan for the autumn of 2014. Member training is also recorded to keep track of the training delivered and details of Member attendance.

In the last year, the Council has delivered leadership development training for all managers in partnership with Bassetlaw District Council. Additionally a programme of externally led commercial training was undertaken in 2013 with managers and staff.

The Corporate Plan has been refreshed and communicated to staff and now forms the golden thread for staff appraisals and work objectives for the forthcoming year. A corporate training plan will be developed and agreed by the CMT.

The Council is changing its payroll provider and investing in a new payroll and HR system with the benefits of self service functions. In 2014/15 work will focus on rolling out a new learning and development tool which will help inform training in the future.

17. Community and Stakeholder Engagement

Objective: Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council uses a variety of channels to communicate with the community and stakeholders for example:

- West Lindsey Citizen Panel through surveys and focus groups
- Focus groups with residents and local businesses
- E-surveys
- Local press
- West Lindsey Newsletter
- Summits
- Social media

The Council consults on key service changes. The key consultation events undertaken during 2013/14 were:

- E-Accessibility
- Trade Waste
- Paper collections
- Green waste
- Street cleaning standards
- Leisure Strategy

During the year we also undertake surveys with service users (whether they are internal or external to the Council) to ascertain the levels of satisfaction of services. These services include waste, communications and customer services. These results are used to develop our services to ensure they are delivering the level of

service required by users.

The Council contributes to Lincolnshire County Council's "County News" and uses social media. At an operational level the Council is undertaking an e-accessibility project, which seeks to transfer those customers who are willing and able, to more accessible and convenient methods of engaging with the Council.

The Council has a programme to connect with its citizens and communities under the banner of Localism. This approach will enable the authority to better understand and appreciate the diversity of West Lindsey's many 'places' to more effectively target its resources and also provide more meaningful support to local people to help them to help themselves.

18. Partnership Governance

Objective: Enhancing the accountability for service delivery and effectiveness of other public service providers incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

During 2013/14 an audit was undertaken into the Council's arrangements in relation to partnerships. Following the findings of the audit, the following arrangements have been put in place:

1. An Approved Code of Practice has been drafted and approved which ensures that the areas identified in the Audit Commissions '[Governing Partnerships](#)' Report are considered.
2. A Partnership register has been created which acts as a document store for partnership documentation
3. All staff have registered the partnerships they are engaged with on the partnership register
4. Amendments have been made to the constitution to include:
 - a. Partnership arrangement in the Contract procedure rules
 - b. A section on Partnership Governance for joint arrangements.

The effectiveness of our processes will be monitored over the forthcoming year to ensure they are robust, drive improvements and are adhered to by staff. The main focus of the work is to ensure that accountability arrangements in respect of partnership working are strengthened.

Our current contract procedure rules cover contract monitoring procedures and management of delivery. The accountability of service providers is managed through contract management. Consideration will be given to determine whether the scope of the current procedure rules needs to be widened.

Appendix Two - Annual Governance Statement 2013/14 Action Plan

Issue	Description	Action	Current Position	Date Due	Officer	BRAG
Local Plans Team	There remains a concern over the progress of the Core Strategy to be delivered by the Local Plans Team. The outcomes of the Team are to produce a plan which both meets the wider strategic needs of Lincolnshire and also ensures that West Lindsey's own housing needs are considered and addressed.	<ol style="list-style-type: none"> 1.Strengthen & Embed Governance Arrangements 2.Ensure Effective Programme Management 3.Communicate and Engage Effectively 4.Review Staffing 5.Achieve VfM 6. Satisfy Audit Requirements 	<ol style="list-style-type: none"> 1. Mechanisms in place to realise effective governance 2. Project Plan in place and task groups assigned work packages. Work on track. 3. Comms Plan to be developed. Consultation to commence. Regular briefings held with Members and Parish Councils 4. Staffing review completed. 5. Saving of c£26K realised following staffing review. On-going monitoring of budget and spend. 6. Audit review underway - to be completed by xxx. 	31/12/2016	Fysh, Suzanne	Green
Asset Management	A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters so that the asset base is understood and its use maximized and there is a coherent approach to asset acquisition and disposal.	<ol style="list-style-type: none"> 1. Asset Management Strategy to be reviewed and Corporate Asset Management Plan to be implemented 2. Service Plan to be completed 	<ol style="list-style-type: none"> 1. Acquisition and Disposal Policy drafted and progressing to Committee in November 2014 2. Service Plan has been prepared and to be refreshed through Business Planning process by Jan 2015 3. A computerised Asset 	30/09/2014	Sharp, Penny	Green

		<p>3. Performance database to be implemented and KPI's introduced</p> <p>4. Acquisition and Disposal Policy to be implemented and approved by P&R Committee</p> <p>5. Operational procedures to be developed to clarify roles and responsibilities and reporting lines</p> <p>6. Procedures implemented to give assurance to management that acquisitions and disposals have systems in place and have been complied with.</p>	<p>Management database has been acquired and is currently being populated with all major assets with anticipated completion date of March 2015</p> <p>4. Operational procedures are being developed.</p> <p>5. Standardised business case has been devised for House purchases, with S151 officer sign off. Business cases for other asset schemes have been documented and are retained on Minerva and approved by Commercial Board prior to any formal Member approval requirements. The Constitution has been updated and all relevant decisions will be reported to Members.</p>			
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Partnership Governance	A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters; particularly in relation to accountability arrangements in respect of partnership working.	<ol style="list-style-type: none"> 1. Prepare and ACOP for Partnership Management 2. Prepare and deliver a training and implementation plan for the Partnership ACOP 	<ol style="list-style-type: none"> 1. ACOP for Partnership Management now approved (Complete) 2. Training and implementation plan developed awaiting implementation 	31/10/2014	Reeks, Alex	Green
Senior Management Restructure	To create effective leadership and management and define clear roles and responsibilities.	<ol style="list-style-type: none"> 1. To recruit new Directors by July 2014 2. Management Competencies to be approved. 3. Strategic Heads restructure to be confirmed by January 2015 	<ol style="list-style-type: none"> 1. Directors recruited and in post - Complete 2. Management competencies devised, approved and implemented - Complete 3. Outline structure designed and to be presented to staff on 8th September 2014 	31/01/2015	Gill, Manjeet	Green

Counter-fraud Arrangements	To ensure that the processes and systems in place are effective in monitoring and managing the risk of fraud.	<p>1. Policy is refreshed annually including references to new and amended legislation</p> <p>2. Counter Fraud Action Plan reviewed annually</p> <p>3. Whistle Blowing Policy to be reviewed</p> <p>Report on Fraud activity to Governance and Audit</p> <p>4. Publicity for anti fraud activity to be carried out</p> <p>5. The council decides on its approach to Corporate Fraud following the implementation of the Single Fraud Investigation Service</p> <p>6. Carry out National Fraud Initiative work</p>	<p>1. Policy has been updated and refreshed. Complete.</p> <p>2. The Counter Fraud Action Plan was reviewed for 2014. Complete.</p> <p>3. The Whistle Blowing Policy has been reviewed. Complete.</p> <p>4. Report on fraud taken to Governance and Audit Committee - July 2014. Complete.</p> <p>5. Leaflets to be circulated to all staff and members - December 2014</p> <p>6. Approach to Single Fraud Investigate Service (SFIS) to be agreed September 2014</p> <p>7. National Fraud Initiative work has not yet started</p>	28/02/2015	Robinson, Alan	Green
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Development of Data Quality Policy	The intention is for high-quality data to be an integral part of the Council's operational, performance management and governance arrangements so that it drives service improvement and informs policy.	<ol style="list-style-type: none"> 1. Draft a Data Quality Policy 2. Develop and deliver a training and implementation plan to support the policy 		31/01/2015	Reeks, Alex	Green
Political Governance & Effectiveness of Committees	To ensure that Committees are working to their optimum and are in line with their terms of reference and decision making is streamlined where appropriate.	<ol style="list-style-type: none"> 1. Review Constitution to include effectiveness of Committees 2. Carry out effectiveness reviews of Committees 3. Review the constitution to reflect the findings 	<ol style="list-style-type: none"> 1. Constitution reviewed at July Council - Complete 2. Governance and Audit Committee reviewed as part of the review of internal audit. Remaining committees to be scheduled for completion by January 2015 3. Review of Constitution for May 2015 	01/05/2015	Robinson, Alan	Green

National Non-Domestic Rates & Growth	A recent Internal Audit into this area concluded with a Limited Assurance Opinion. A comprehensive set of actions have been put in place to address matters and ensure that desired outcomes are clearly defined and success can be quantified and measured.	<ol style="list-style-type: none"> 1.Ensure that the project follows governance requirements for projects 2.Establish monitoring arrangements for NNDR income 3.Targets for field officers to find additional value 4.Awareness training for all relevant staff 	<ol style="list-style-type: none"> 1. Highlight reports are now considered regularly by the project team. Complete 2. Arrangements are in place for progress to be monitored at NNDR project team. Complete 3. Targets agreed with staff through the appraisal process. Complete 4. Awareness training has been carried out for Regeneration staff. Training to be arranged for September for Core Management Team. 	28/09/2014	Robinson, Alan	Green
Progress and Delivery of Corporate Plan	To ensure that an effective process is in place to support the monitoring and reporting to Members of programme and project development and the reporting of relevant service level performance against agreed measures in a timely manner.	<ol style="list-style-type: none"> 1. The refreshed version of the Corporate Plan has had the full input of the teams in identifying SMART actions to deliver its objectives. 2. The refreshed plan has been proof read 3. The priorities and projects set out in the plan are on the Minerva 	<ol style="list-style-type: none"> 1. New balanced scorecards have been agreed with the Heads of Service 2. Monitoring against these new balanced scorecards began in April 2014 with the results being reported to CMT 3. Heads of Service are using the information to develop and improve their services 4. The first reports to councillors based on these new measures will take 	30/01/2015	Sturgess, Mark	Green

		<p>system. The Minerva system is being used to monitor the delivery of the plan and service performance.</p> <p>4. The progress and delivery reports have been reviewed through a member group.</p> <p>5. New SMART measures will be developed in collaboration with the Heads of Service.</p>	<p>place in the autumn of 2014</p> <p>5. Minerva is now being utilised to collect and analyse the data.</p>			
Project Management	To ensure that an effective methodology is embedded and adopted across the Council and that both its use and effectiveness are reviewed.	<ol style="list-style-type: none"> 1. ACOP to be prepared 2. Project Management Review as per audit action plan 3. Improvement Plan to be developed from the review findings 	1. ACOP agreed on an interim basis. A revised ACOP is to be re-presented by the end of September.	01/02/2015	Knowles, Ian	Green

Appendix Three – Annual Governance Statement 2012/13 Action Plan (Complete)

Issue	Action	Current position	Officer	Date Due	BRAG
Income Reporting					
<p>There is limited assurance on income reporting and monitoring to reflect the Council's priority to increase income generation</p>	<ul style="list-style-type: none"> Develop processes to ensure that monitoring and developing targets for income generation reflect the priority 	<p>Reporting has been reviewed as part of the 'Finance Matters' programme, with new monitoring and reporting mechanisms being introduced (following successful trial) for the October period. Support and development for staff has been provided through a series of training events and service specific support which will increase capability and support financial sustainability.</p>	<p>Head of Finance</p>	<p>Completed</p>	<p>Black</p>

Information Governance					
<p>A co-ordinated approach to managing information governance is vital</p>	<ul style="list-style-type: none"> • An action plan has been agreed for completion by 30th September 2013 • Develop an Information Governance Group • Adopt a protective marking scheme • Renew policies and deliver training • Ensure appropriate checks for compliance 	<p>The information governance organisational structure is in place and data protection issues are discussed through the Corporate Information Governance Group.</p> <p>The CIGG meets quarterly and has reviewed and amended policies due for review during the first half of 2014. The group has a schedule to ensure reviews are carried out in a timely manner. Policy awareness training is delivered to teams by the Information Governance Officer. Compliance with policies is being monitored and any issues are reported and investigated in accordance with the Council's Information Security Incident Management Policy.</p> <p>A draft Information Governance Strategy has been prepared for CMT and includes proposals for records management.</p> <p>A new Government Security Classification Policy (GSCP) came</p>	<p>Asst. Chief Executive</p>	<p>Completed</p>	<p>Black</p>

		<p>into force in April 2014. This introduced the classifications OFFICIAL, CONFIDENTIAL, SECRET, and TOP SECRET. All information handled by a District Council will fall into the OFFICIAL classification which does not have to be protectively marked. Where caveats are required (ie OFFICIAL-SENSITIVE or OFFICIAL-PERSONAL) these will tend to be service-specific. Therefore, it is not currently considered necessary to develop a corporate Protective Marking Scheme at this stage.</p>			
Corporate Planning					
<p>Further work is needed on targets, measurements and outcomes for the corporate plan to be able to measure the difference that we are making</p>	<ul style="list-style-type: none"> • Ensure that the corporate plan refresh has targets and outcomes that are measurable • Strengthen accountability for delivery of the corporate plan • Link measures and targets to service plans, team focus and performance management 	<p>The corporate plan has been refreshed with new priorities, targets and measurements.</p> <p>Further work has been done by the progress and delivery working group to improve the standard of the progress reports that are presented to members.</p> <p>The Chief Operating Officer is responsible for ensuring that the</p>	Asst. Chief Executive	Completed	Black

		agreed performance management system is embedded and provides accurate information for Members.			
Develop stronger links with financial planning for sustainable funding and a resilient local authority.	<ul style="list-style-type: none"> Ensure that the corporate plan targets are reflected in financial planning 	See above. As agreed at CMT the targets in the Corporate Plan are assessed financially and considered as part of the financial planning cycle prior to inclusion in the Corporate Plan.	Head of Finance	Completed	Black
Risk Management					
Risk Management needs to be embedded into the organisation	<ul style="list-style-type: none"> Develop management competencies and codes of practice. Complete independent in depth reviews on service risk registers to ensure that appropriate mitigating actions are in place. Adopt a robust risk management approach for corporate and strategic risks to be reviewed by CMT as a monthly standing item. Ensure compliance with the risk management strategy and codes of practice. 	<p>All risk registers have been reviewed and SMART mitigating actions included. Risk management is included in team meetings, 121s and appraisals.</p> <p>Codes of practice are being developed and will be launched as management competencies.</p> <p>CMT are responsible for regular reviews of the Corporate and Strategic risks.</p> <p>Latest risk management audit gave a substantial assurance rating.</p>	Asst. Chief Executive	Completed	Black

Joint Planning Unit					
There is concern over the progress of the Core Strategy to be delivered by the Joint Planning Unit	<ul style="list-style-type: none"> Gain Assurance on the delivery of the core strategy and risk management arrangements of the joint planning unit. 	<p>The Central Lincs Local development framework is included as a strategic risk and managed by Core Management Team as failure to deliver sustainable growth.</p> <p>The core strategy has been realigned to reflect national changes.</p> <p>There are delivery plans for key strategic sites and Housing and Economic Development Strategies are being developed to deliver growth.</p> <p>A project plan to deliver the core strategy has been approved and is being monitored.</p>	Director	Completed	Black
Financial Management and NNDR					
Managers need more confidence in financial planning and budgeting	<ul style="list-style-type: none"> Develop and deliver training for managers on financial management and budgeting linked to management competency, 	The 'Finance Matters' programme has been delivered which includes a comprehensive programme of training and support to services.	Head of Finance	Completed	Black

	development and appraisals <ul style="list-style-type: none"> • Deliver the Finance Matters project 				
Project Management					
The management of projects has been given limited assurance and not all projects are being managed effectively	<ul style="list-style-type: none"> • Insist on a minimum standard for project management for small projects • Insist on the appropriate use of the full project management methodology for large projects • Review the effectiveness of our programme boards • Ensure a single view of all projects is created to maintain awareness of what we are delivering and resource use. 	Project management guidance has been approved and relevant training provided which will be accompanied by a code of practice and managed by the board structure.	Asst. Chief Executive	Completed	Black
ICT Infrastructure					
ICT security needs full assurance of protection	<ul style="list-style-type: none"> • Ensure that the actions in the agreed plan are completed • Deliver the project to share infrastructure with NKDC • Deliver the project to enable connection with the PSN Network 	<ol style="list-style-type: none"> 1. Significant progress has been made with a substantial assurance audit rating received from Internal Audit. 2. The NK shared infrastructure project is progressing to an amended timetable and should be 	Asst. Chief Executive	Completed	Black

		<p>completed by November 2014. This is not deemed a critical action to warrant inclusion in the 2013/14 AGS action plan</p> <p>3. The project to secure PSN compliance has been successfully delivered and we have our certificate of compliance to the standards required to connect to the Public Service Network.</p>			
Investment decisions					
There should be capacity and sound business cases to ensure delivery of the Commercial Strategy.	<p>Build further capacity and capability in:</p> <ol style="list-style-type: none"> 1. Officer resources and leadership 2. Ensure compliance with an agreed project methodology as outlined above 3. Adopt the Five Case Model as the minimum standards for investment proposals. Adopt an appropriate approach to investment appraisals 4. Adopt an agreed process for undertaking due diligence 5. Strengthen member and 	<ol style="list-style-type: none"> 1. Further capacity has been brought in to support this area. 2. Detailed reviews of significant projects have taken place to check compliance with the methodology and consideration of recent lessons learnt. 3. The Five Case Business Model has been adopted 4. An approach to due diligence and development/agreement of business cases has been agreed. 5. Further guidance on 	Asst. Chief Executive	Completed	Black

	<p>stakeholder engagement in current process and strengthen the process where necessary</p> <p>6. Align behaviours for accountability and governance with job descriptions.</p>	<p>stakeholders, communication, accountability, behaviours and member engagement has been agreed as an Approved Code of Practice</p> <p>6. Compliance with Approved Codes of Practice was included in job descriptions following the re-organisation two years ago.</p>			
Constitution					
<p>To be assured that the constitution is current and reflects decision making processes and appropriate and furthers decision making that is open and transparent.</p>	<p>That there is a review of the constitution and any amendments are agreed by this Committee</p>	<p>Review completed and subsequently re-visited in July 14 as part of annual assessment of the appropriateness of the Constitution.</p>	<p>Alan Robinson</p>	<p>Completed</p>	<p>Black</p>