

NORTH WILTSHIRE DISTRICT COUNCIL

Meeting:	Executive
Date:	13 March 2008
Subject:	Delivering Good Governance in Local Government
Report of:	Chief Executive

1. Purpose of Report

- 1.1 To set out for consideration and adoption a revised Local Code of Corporate Governance.

2. Recommendation

- 2.1 To approve and adopt a revised “Local Code of Corporate Governance” and the arrangements for monitoring compliance with the Code as set out in the report.

3. Reason for Decision Recommended

- 3.1 To ensure that Council complies with best practice in relation to issues of governance.

4. Matters for Consideration

Introduction

The Council first formally adopted a Local Code of Corporate Governance in...

What is governance ?

Simply stated governance is about how local government bodies ensure that they are doing the right things in the right way for the right people in a timely, inclusive, open, honest and accountable manner. In particular sound governance arrangements and accountability are critical if Councils and connected partnerships are to fulfil their purpose and deliver the intended outcomes for citizens and service users and operate in an efficient, effective and ethical manner.

Changes since 2002

Since the framework was first published in 2002 local government has been subject to continuous reform designed to improve local accountability. Cipfa/Solace have undertaken a review of the original framework requirements and produced new guidance for local authorities which better reflects today's circumstances.

The publication of an annual governance statement in accordance with the revised framework will be necessary in order to meet the new statutory requirement set out in Regulation 4(2) of the Accounts and Audit (Amended) (England) Regulations 2006. This requires local authorities to prepare a "Statement of Internal Control" in accordance with "proper practices"

Role of Local Government

In carrying out the review of the framework Cipfa/Solace identified four key roles for local government. These are as follows :-

1. To engage in effective partnerships and provide leadership for and with the community

Partnerships are a key component for public service provision and authorities have a major role to play in leading partnership working.

Authorities are able to provide leadership to their communities through their ability to act in an advocacy role and to promote the economic, social and environmental well-being of their area.

2. To ensure the delivery of high-quality local services whether directly or in partnership or by commissioning.

Authorities are responsible for ensuring the delivery of high quality services to their communities. Some authorities provide most of their services on an in-house basis. Others provide some services in-house and employ private sector contractors to provide others. Some act as 'governance bodies' and are responsible for ensuring the efficient and effective provision of the service by other providers. Authorities also enter into contracts with voluntary bodies and enter into shared or agency arrangements with other authorities.

3. To perform a stewardship role which protects the interests of local people and makes the best use of resources.

Each authority is accountable to tax payers for its stewardship and use of resources. It should provide excellent value for money and make the best use of the resources available to it as well as protecting the interests of local people.

4. To develop citizenship and local democracy.

Authorities have a key role to play in working with others to build a strong sense of community and in encouraging individual citizens to play a full and constructive part of the lives and development of their communities. Authorities are democratically accountable to their communities.

Principles of Good Governance

The Independent Commission on Good Governance in Public Services in a report published in 2004 set out six core principles which have been adapted for local government purposes and it is recommended that these principles should be reflected in a local authority's Code of Corporate Governance.

The principles are :-

1) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users
- Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning
- Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

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

- Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
- Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard
- Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other

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

- Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance
- Ensuring that organizational values are put into practice and are effective

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

- Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
- Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
- Ensuring that an effective risk management system is in place
- Using their legal powers to the full benefit of the citizens and communities in their area

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

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

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

- Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
- Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning

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

To be able to effectively deliver good governance the Council needs to be able to demonstrate that it is complying with the six core principles set out above. The proposed Code of Corporate Governance, which incorporates these principles, is set out in draft at **Appendix A** for consideration.

Annual Review and Reporting Arrangements

Local government bodies are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for, and used economically, efficiently and effectively. The adoption of an updated Code of Corporate Governance, consistent with the principles set out in this report, will help to ensure that proper arrangements are in place to meet that responsibility. **Appendix B** sets out a checklist that can be used on an annual basis to monitor compliance with the Code

The Council currently prepares and publishes annually both a Statement of Assurance in relation to its adopted Code of Corporate Governance and a separate "Statement on Internal Control". These two documents are included in the Financial Statement. With effect from 2007/08 financial year the form and content of the annual governance statement must comply with "proper practice" and has been extended to incorporate the Annual Statement on Internal Control . As at present the new statement will be required to be signed by the Leader and Chief Executive. Consequently there will no longer be a requirement to prepare and publish a separate "Statement on Internal Control"

A draft copy of the format of the proposed annual governance statement is attached at **Appendix C** for information.

5. Other Options Considered

- 5.1 To not prepare and adopt an updated Local Code of Corporate Governance.

6. Financial and Efficiency Implications

- 6.1 None.

7. Exempt Information

- 7.1 None.

8. Appendices to this report

- 8.1 Appendix A - Local Code of Corporate Governance
- 8.2 Appendix B - Monitoring Checklist

8.3 Appendix C - Annual Governance Statement

9. List of Background Papers

9.1 Delivering Good Governance in Local Government – CIPFA/SOLACE publication 2007.

Local Code of Corporate Governance

Introduction

Each local authority operates through a governance framework. It is an interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes. Traditionally, local government has conformed in whole or in part and in many different ways to the principles of good governance and has had a sound base on which to build. There has been a strong regulatory framework in existence and robust arrangements for monitoring review.

Fundamental Principles of Corporate Governance

The report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury Report) identified three fundamental principles of corporate governance as:

Openness	An open approach is required to ensure all interested parties are confident in the organisation itself. Being open in the disclosure of information leads to effective and timely action and lends itself to necessary scrutiny.
Integrity	This is described as both straightforward dealing and completeness. It should be reflected in the honesty of an organisation's annual report and its portrayal of a balanced view. The integrity of reports depends on the integrity of those who prepare and present them which, in turn, is a reflection of the professional standards within the organisation.
Accountability	This is the process whereby individuals are responsible for their actions. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure.

The Cadbury Report defined these three principles in the context of the private sector, and, more specifically, of public companies, but they are as relevant to public service bodies as they are to private sector entities.

Principles of Conduct in Public Life

Aspects of corporate governance in the public services have been addressed by the Committee on Standards in Public Life (the Nolan Committee, today chaired by Sir Alistair Graham) which was established in 1994 to examine concerns about standards of conduct by holders of public office. Standards of conduct are regarded as one of the key dimensions of good governance. The first report, published in May 1995, identified and defined seven general principles of conduct which should underpin public life, and recommended that all public service bodies draw up codes of conduct incorporating these principles. These principles of public life are:

Selflessness	Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
Integrity	Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
Objectivity	In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
Accountability	Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
Openness	Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and actions and restrict information only when the wider public interest clearly demands.
Honesty	Holders of public office have duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
Leadership	Holders of public office should promote and support these principles by leadership and example.

The Relevant Authorities (General Principles) Order 2001 outlined three additional principles to those identified by the Nolan Committee. These three are defined below. As part of the new ethical framework, the Local Government Act 2000 (England and Wales) provided for the development of a model code of conduct covering the behaviour of elected members and gave the Secretary of State and the National Assembly for Wales power to develop a set of general principles of conduct.

Respect for others	Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.
Duty to uphold the law	Members should uphold the law, and on all occasions, act in accordance with the trust that the public is entitled to place in them.
Stewardship	Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

These ten principles are incorporated into the Council's constitution.

Good Governance Standard for Public Services

In 2004, the Independent Commission on Good Governance in Public Services published a set of common principles that it wants all public sector organisations to adopt. The commission, set up by CIPFA in conjunction with the Office for Public Management, says there should be a common governance standard for public services similar to the private sector's Combined Code.

The Good Governance Standard for Public Services builds on the Nolan principles for the conduct of individuals in public life by setting out six more principles that it says should underpin the governance arrangements of all bodies:

- A clear definition of the body's purpose and desired outcomes
- Well-defined functions and responsibilities
- An appropriate corporate culture
- Transparent decision making
- A strong governance team
- Real accountability to stakeholders

For the purpose of developing Good Governance in Local Government, the six core principles from the Good Governance Standard for Public Services have been adapted for the local authority context. The principle of leadership has been expanded to emphasise the role of authorities in 'leading' their communities and therefore that this concept 'overarches' the other principles. Greater emphasis has been placed on scrutiny and overview to accommodate the new arrangements for local authorities. Also, the principles have been developed to take greater account of the political regime in which local authorities operate.

The Governing Body

The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government the governing body is the full Council. For England and Wales, the Local Government Act 2000 introduced new governing structures for all local councils, clarifying responsibility for making decisions and establishing a scrutiny role. Councils such as North Wiltshire, with populations above 85,000 are required to have 'executive arrangements' whereby the executive comprises elected members.

Executive arrangements must include one or more overview and scrutiny committees through which non-executive councillors can question and challenge the policy and performance of the executive and promote public debate. The Local Government and Public Involvement in Health Act 2007 has brought in an extended role for overview and scrutiny committees which enables them to challenge the policies and practices of certain bodies. Councils also have the power to promote the economic, social and environmental well-being of their areas and to work with other bodies to develop community strategies.

Elected members are collectively responsible for the governance of the Council. The full Council's responsibilities include:

- Agreeing the Council's constitution comprising the key governance documents including the executive arrangements and making major changes to reflect best practice.
- Agreeing the policy framework.
- Agreeing the budget.

The Executive is responsible for:

- All functions and powers other than those reserved to full Council or other bodies.
- Proposing the budget
- Implementing the policy framework and key strategies.

The Chief Executive advises Councillors on policy and necessary procedures to drive the aims and objectives of the authority. The Chief Executive leads a Corporate Management Board which is responsible for advising the executive and scrutiny committees on legislative, financial and other policy considerations to achieve the aims and objectives of the authority and is responsible for implementing Council decisions and for service performance.

The Local Code of Corporate Governance

Set out in this document is the Council's proposed revised Local Code of Corporate Governance which is based on the six core principles adopted for local government from the report of the Independent Commission on Good Governance in Public Services . The six principles being :-

Principle One – Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the District

Principle Two – Members and Officers working together to achieve a common purpose with clearly defined functions and roles

Principle Three – Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

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

Principle Five – Developing the capacity and capability of Members and Officers to be effective

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

Principle One - Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the District

The Council is committed to :

Exercising strategic leadership by developing and clearly communicating its purpose and vision and the Council's intended outcome for citizens and service users.

- Developing and promoting the Council's purpose and vision.
- Reviewing on a regular basis its vision for the local area and its implications for the Council's governance arrangements.
- Ensuring that partnerships are underpinned by a common vision of the work that is understood and agreed by all partners.
- Publishing an annual report on a timely basis to communicate the Council's activities and achievements, its financial position and performance.

Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.

- Deciding how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.
- Putting in place effective arrangements to identify and deal with failure in service delivery

Ensuring that the Council makes best use of resources and that tax payers and service users receive excellent value for money.

- Deciding how value for money is to be measured and making sure that the Council or partnership has the information needed to review value for money and performance effectively. Measuring the environmental impact of policies, plans and decisions.

Principle Two - Members and Officers working together to achieve a common purpose with clearly defined functions and roles

The Council is committed to:

Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

- Setting out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Council's approach towards putting this into practice.
- Setting out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers

Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard.

- Determining a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decisions of the Council, taking account of relevant legislation, and ensuring that it is monitored and updated when required.
- Making a Chief Executive or equivalent responsible and accountable to the Council for all aspects of operational management.
- Developing protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Making a senior officer (the S151 Officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- Making a senior officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other.

- Developing protocols to ensure effective communication between members and officers in their respective roles.
- Setting out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an independent members only remuneration panel.

- Ensuring that effective mechanisms exist to monitor service delivery.
- Ensuring that the Council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.
- When working in partnership, ensuring that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority.
- When working in partnership:
 - Ensuring that there is clarity about the legal status of the partnership
 - Ensuring that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partners decisions

Principle Three - Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Council is committed to:

Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

- Ensuring that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect.
- Ensuring the standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols.
- Putting in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.

Ensuring that organisational values are put into practice and are effective.

- Developing and maintaining shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners.
- Putting in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.
- Developing and maintaining an effective standards committee.
- Using the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council.
- In pursuing the vision of a partnership, agreeing a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

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

The Council is committed to:

Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.

- Developing and maintaining an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and that of any organisation for which it is responsible.
- Developing and maintaining open and effective mechanisms for documenting evidence for decision and recording the criteria, rationale and considerations on which decisions are based.
- Putting in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.
- Developing and maintaining an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.
- Ensuring that effective, transparent and accessible arrangements are in place for dealing with complaints.

Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

- Ensuring that those making decisions whether for the Council or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations on technical issues and their implications.
- Ensuring that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

Ensuring that an effective risk management system is in place.

- Ensuring that risk management is embedded into the culture of the Council, with members and managers at all levels recognising that risk management is part of their jobs.
- Ensuring that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access.

Using legal powers to the full benefit of the citizens and communities in the District.

- Actively recognising the limits of lawful activity placed on the Council, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the community
- Recognising the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law.
- Observing all specific legislative requirements placed upon the Council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law
 - Proportionality, rationality, legality and natural justice into procedures and decision-making processes

Principle Five - Developing the capacity and capability of Members and Officers to be effective

The Council is committed to:

Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.

- Providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.
- Ensuring that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council.

Developing the capability of people with governance responsibilities and evaluating performance as individuals and as a group.

- Assessing the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.
- Developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
- Ensuring that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.

Encouraging new talent for membership of the Council so that best use can be made of individual's skills and resources in balancing continuity and renewal.

- Ensuring that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council.
- Ensuring that career structures are in place for members and officers to encourage participation and development.

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

The Council is committed to:

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

- Making clear to themselves, all staff and the community to whom they are accountable and for what.
- Considering those institutional stakeholders to whom the Council is accountable and assess the effectiveness of any changes required.
- Producing an annual report on the activity of the scrutiny function.

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

- Ensuring clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.
- Holding meetings in public unless there are justifiable legal reasons for confidentiality.
- Ensuring that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements should recognise that
- different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.
- Establishing a clear policy on the types of issues the Council will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.
- On an annual basis, publishing a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.
- Ensuring that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the

- need to preserve confidentiality in those specific circumstances where it is proper and
- legal to do so.

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

- Developing and maintaining a clear policy on how staff and their representatives are consulted and involved in decision making.

APPENDIX B

Monitoring Checklist

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
Develop and promote the authority's purpose and vision	<ul style="list-style-type: none"> · Used as a basis for: <ul style="list-style-type: none"> ➤ Corporate and service planning ➤ Community strategy ➤ Local area agreements
Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	<ul style="list-style-type: none"> · Governance code
Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<ul style="list-style-type: none"> · Partnership protocol · Governance code
Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	<ul style="list-style-type: none"> · Annual financial statements · Annual business plan
Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	<ul style="list-style-type: none"> · This information is reflected in the authority's: <ul style="list-style-type: none"> ➤ Corporate Plan ➤ Annual Business Plan ➤ Medium-Term Financial Strategy
Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> · Complaints procedure
Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	<ul style="list-style-type: none"> · The results are reflected in the authority's performance plans and in reviewing the work of the authority

Members and Officers working together to achieve a common purpose with clearly defined functions and roles	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
<p>Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice</p> <p>Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers</p>	<ul style="list-style-type: none"> · Constitution · Record of decisions and supporting materials · Details of Executive portfolios
Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required	<ul style="list-style-type: none"> · Constitution
Make a Chief Executive or equivalent responsible and accountable to the authority for all aspects of operational management	<ul style="list-style-type: none"> · Conditions of Employment · Scheme of Delegation · Statutory Provisions · Job Descriptions/Specification · Performance Management System
Develop protocols to ensure that the Leader and Chief Executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> · Chief Executive and Leader consider how best to establish and maintain effective communication
Make a senior officer (the S151 Officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control	<ul style="list-style-type: none"> · Section 151 responsibilities · Statutory provision · Statutory reports · Budget documentation · Job Description/Specification
Make a senior officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	<ul style="list-style-type: none"> · Monitoring Officer provisions · Statutory provision · Job Description/Specification
Develop protocols to ensure effective communication between members and officers in their respective roles	<ul style="list-style-type: none"> · Member/Officer protocol
Set out the terms and conditions for remuneration of members and officers and an effective structure for managing	<ul style="list-style-type: none"> · Pay and conditions policies and practices

<p>the process, including an effective remuneration panel (if applicable)</p>	
<p>Ensure that effective mechanisms exist to monitor service delivery</p>	<ul style="list-style-type: none"> · 'Smiley Face System'
<p>Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>	<ul style="list-style-type: none"> · Policy and Budget Framework · Strategy · Corporate Plans · Budgets · Performance plan/regime
<p>When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</p> <p>When working in partnership</p> <p>Ensure that there is clarity about the legal status of the partnership</p> <p>Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions</p>	<ul style="list-style-type: none"> · Protocols for partnership working. For each partnership there is, in accordance with NWDC's partnership evaluation tool: <ul style="list-style-type: none"> ➤ A clear statement of the partnership principles and objectives ➤ Clarity of each partner's role within the partnership ➤ Line management responsibilities for staff who support the partnership ➤ A statement of funding sources for joint projects and clear accountability for proper financial administration

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	<ul style="list-style-type: none"> • Staff Turnover Measure (unhappy staff with poor leadership leave)
Ensuring that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	<ul style="list-style-type: none"> · Members'/Officers' code of conduct/ performance management system · Performance appraisal · Complaints procedure · Anti-fraud and anti-corruption policy · Members/Officer protocols
Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> · Standing orders · Codes of conduct · Financial Regulations
Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	<ul style="list-style-type: none"> · Codes of conduct · Area Board 'rules'
Put in place arrangement to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	<ul style="list-style-type: none"> · Codes of conduct · Whistleblowing Charter
Develop and maintain an effective standards committee	<ul style="list-style-type: none"> · Terms of reference · Reporting to the Council
Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	<ul style="list-style-type: none"> · Decision-making practices
In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	<ul style="list-style-type: none"> · Protocols for partnership working

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible	<ul style="list-style-type: none"> · Scrutiny is supported by robust evidence and data analysis · Officer challenge CMB/Peer Review
Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and consideration on which decisions are based	<ul style="list-style-type: none"> · Decision-making protocols record of decisions and supporting materials · Executive committee is an open meeting
Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> · Members' code of conduct · Officers Terms & Conditions (state no conflict of interest roles, can't be politic etc)
Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	<ul style="list-style-type: none"> · Terms of reference · Membership
Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	<ul style="list-style-type: none"> · Complaints procedure · FOI · For staff 1:2:1 & HR Support
Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications	<ul style="list-style-type: none"> · Members' induction scheme · Ongoing Member training and development · Managers development · Portfolio holder/Manager 1:2:1
Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	<ul style="list-style-type: none"> · Record of decision making and supporting materials · All committee reports have legal and fin sign-off
Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs	<ul style="list-style-type: none"> · Risk Management protocol · Financial standards and regulations · Member development seminar
Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access	<ul style="list-style-type: none"> · Whistle-blowing policy
Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to	<ul style="list-style-type: none"> · Constitution · Monitoring officer provisions · Statutory provision

<p>utilise powers to the full benefit of their communities</p>	<ul style="list-style-type: none"> · S151 officer provisions · Equality Impact Assessments?
<p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</p>	<ul style="list-style-type: none"> • Equality Impact Assessments?
<p>Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedure and decision-making processes</p>	<ul style="list-style-type: none"> · Monitoring officer provisions · Job Description/Specification · Statutory provision

Developing the capacity and capability of members and officers to be effective	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis	<ul style="list-style-type: none"> · Training and development plan · Induction programme · Update courses/information
Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority	<ul style="list-style-type: none"> · Job Description/Personal Specification · Training and development plans · Professional qualifications and support bodies · Continuing Professional Development
Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	<ul style="list-style-type: none"> · Training and development plans, officers and members
Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	<ul style="list-style-type: none"> · Training and development plan reflect requirements of a modern councillor
Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs	<ul style="list-style-type: none"> · An area requiring further development
Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority	<ul style="list-style-type: none"> · Local Strategic partnership framework · Area committees roles and responsibilities (under development)
Ensure that career structures are in place for members and officers to encourage participation and development	<ul style="list-style-type: none"> · Succession planning · Training and development plans · Appraisals

Engaging with local people and other stakeholders to ensure robust public accountability	
The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that can be used to demonstrate compliance
<p>Make clear to themselves, all staff and the community to whom they are accountable and for what</p> <p>Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required</p>	<ul style="list-style-type: none"> · Community strategy
<p>Produce an annual report on the activity of the scrutiny function</p>	<ul style="list-style-type: none"> · Annual Report
<p>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively</p> <p>Hold meetings in public unless there are good reasons for confidentiality</p> <p>Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands</p>	<ul style="list-style-type: none"> · Community strategy · Processes for dealing with competing demands within the community (Policy and Budget Framework). · Executive committee held in public and in evenings (maximum opportunity for public attendance)
<p>Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result</p>	<ul style="list-style-type: none"> · Partnership framework · Communication strategy
<p>On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction or service users in the previous period</p>	<ul style="list-style-type: none"> · Annual report · Annual financial statements · Corporate plan · Annual business plan? Do we have one?
<p>Ensure that the authority as a whole is open and accessible to the community service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to</p>	<ul style="list-style-type: none"> · Constitution

the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	
Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	Constitution

APPENDIX C

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

North Wiltshire 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. North Wiltshire 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, North Wiltshire 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.

North Wiltshire District Council has approved and 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 code is on our website at [...] or can be obtained from [...]. This statement explains how North Wiltshire District Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a Statement on Internal Control.

The purpose of the governance framework

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

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 North Wiltshire District Council's 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.

A governance framework has been in place at North Wiltshire District Council for the year ended 31 March 200(x) and up to the date of approval of the Statement of Accounts.

Review of effectiveness

North Wiltshire 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 senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit and Risk Manager’s annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

(Outline of the actions taken, or proposed, to deal with significant governance issues)

We propose over the coming year to take steps to address the above matters 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.]

Signed :.....
Leader

Signed :.....
Chief Executive

On behalf of North Wiltshire District Council