Agenda Item No 5

Bolsover District Council

AUDIT COMMITTEE

20th May 2014

ANNUAL GOVERNANCE STATEMEMENT 2013/14

Report of the Executive Director - Operations

Purpose of the Report

- To seek the agreement of the Audit Committee to the conclusions and content of the Annual Governance Statement which it is proposed to incorporate within the Council's Statement of Accounts for 2013/14.

- To increase awareness of Governance Issues amongst Members and Employees of the Council and more generally amongst all stakeholders.

- It should be noted that the final version of the Annual Governance Statement will be brought to the Audit Committee at its next meeting on 23rd June 2014 when the Committee will be required to formally approve the Statement as part of the Council's Draft Statement of Accounts 2013/14.

1 Report Details

1.1 As part of its Statement of Accounts the Council has been required to include an Annual Governance Statement with effect from the 2007/08 Financial Year. Preparation of the Statement needs to be undertaken in line with the CIPFA (Chartered Institute of Public Finance and Accountancy / SOLACE (Society of Local Authority Chief Executives and Senior Managers) framework which sets out the fundamental principle of corporate governance that need to be addressed within the Annual Governance Statement. The CIPFA / SOLACE Framework sets out the following principles which Authorities should follow:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust accountability.

One of the key purposes of the Annual Governance Statement is to assess the extent to which the above key principles are in place within an authority and are adhered to in practice. In short it is an annual assessment process for the Council's Governance arrangements. As part of this process it was considered appropriate to review the Council's Code of Corporate Governance where Council has previously agreed that an annual review is appropriate. This review has been conducted in the light of developments over the past year but in reality there have been relatively few changes. Accordingly it is considered appropriate that the Audit Committee consider, review and accept the Code on behalf of the Council. Given the minimal changes which are confined to updating job descriptions and minor improvements to improve clarity it is not considered appropriate to refer the updated Code to Council. In order to maintain awareness of the principles of good governance which underpin both the Code and the Annual Governance Statement it is considered appropriate that that a recommendation is made that the Member Development Programme incorporates a training / awareness session concerning Good Governance.

1.2 In addition to considering the fundamental principles as set out above, a key principle for CIPFA/SOLACE is that the Annual Governance Statement is a corporate document, which must be owned by the whole organisation. It should not be regarded purely as a technical statement within the Council's Statement of Accounts.

1.3 CIPFA / SOLACE issued revised guidance in December 2012 which continues to apply with respect to the 2013/14 Annual Governance Statement. The Council has purchased a corporate licence for this document in electronic format copies which continues to be available to Members. While the revised guidance does provide a revised example good practice statement its main focus has switched from the Governance Statement itself to ensuring that local authorities have in place their own codes of governance and are effectively discharging their responsibility for the proper conduct of business. This is summarised in the introduction to the Addendum which puts the position as follows:

> "The principles and standards set out in the Framework are aimed at helping local authorities to develop and maintain their own codes of governance and discharge their accountability for the proper conduct of business. The Framework is helping authorities to improve their performance, give local people better local services and provide stronger leadership for communities.
>
> The Framework emphasises the importance of good governance to the wider outcomes of good management, good performance, and good public engagement. It puts high standards of conduct and leadership at the heart of good governance, placing responsibility on members and officers to demonstrate leadership by behaving in ways that exemplify high standards of conduct, and so set the tone for the rest of the organisation."

In terms of the Annual Governance Statement itself the revised guidance is less prescriptive and recognises the need for the Statement to be adapted to the particular circumstances of individual local authorities. This change in emphasis reflects the introduction of the Localism agenda which amongst other changes has

seen the move away from a national framework to one where greater responsibility is placed upon individual local authorities.

1.4 In order to assist Audit Committee in making a decision regarding the appropriateness of the draft Annual Governance Statement which is presented as **Appendix 1** to this report, a number of factors need to be taken into account. These are set out in the paragraphs which follow.

1.5. A key issue to be considered is the process which has been adopted in order to arrive at the Annual Governance Statement. The actual preparation has been undertaken by a group of officers chaired by the Executive Director – Operations (Section 151 Officer). The group of officers has included representatives from the Governance Team, Scrutiny, Internal Audit and Finance while views on relevant sections of the report have been sought from other specialist teams including Legal and HR. Following on from consideration by the Audit Committee this document will be taken to the Senior Alliance Management Team for its comments, before being brought back to the Audit Committee for final approval on the 23rd June. Internal Audit will also be undertaking a further review of the position with respect to Gas Servicing and Contract Management which were areas of concern in previous financial years to ensure that the improvements which were secured are now embedded. This work together with the comments received, and in particular those of this committee will be considered before the final version of the Annual Governance Statement is published at the end of June 2014 alongside the Statement of Accounts. It is considered that these processes are appropriate for ensuring corporate ownership of the Governance Statement. The Draft Governance Statement for consideration by this Committee is attached as **Appendix 1**.

1.6 In addition to the Draft Annual Governance Statement itself **Appendix 3** is the Assurance Statement which is based upon a pro forma provided by the Finance Advisory Network which has been endorsed by CIPFA and the Audit Commission. This has been completed and considered alongside the Annual Governance Statement which it assures. The outcome of the completion of this pro forma indicates that the processes and procedures which are in place at Bolsover District Council are generally compliant with good practice. Whilst the completion of the Assurance Statement remains a useful exercise in that it requires the Council to adopt a process of rigorous self assessment it does need to be recognised that the format of the Assurance Statement is now some 7 years and in future financial years it may be more appropriate to rely on other methods of self assessment. In order to address any issues which may arise from this document being outdated Officers have – as set out in Appendix 4 above – considered the relevance of the CIPFA FAN assessment against the 2012 guidance. This has been undertaken by extracting from the revised Guidance a table which lists the key elements of the typical systems and processes that comprise an authority's governance arrangements. Officers have then assessed the CIPFA requirements against the practice at Bolsover District Council. Where appropriate we have referenced this document back to the FAN Assurance Statement. Taken together Appendices 3 and 4 should serve to enable a comprehensive assessment of the Council's governance arrangements to be undertaken.

1.7 While the evidence from the Assurance Statement set out in Appendix 3 and 4 indicates that appropriate procedures and processes are in place, it should be noted that there remain a number of significant issues of Corporate Governance. The

issues that have been identified as a result of the work of external review (including external audit), internal audit, and the routine work of the Council's own officers are set out in the Key Issues of Financial Governance report which is a standing item on the agenda of the Audit Committee. The latest version of this report is provided elsewhere on this Agenda.

1.8 Finally, **Appendix 5** is the draft memo from this Committee (signed by the Chair) and the Chief Financial Officer to the Leader and Chief Executive which recommends that the Annual Governance Statement gives a true and fair view of the position within the authority, and that accordingly it would be reasonable for the Chief Executive and the Leader to sign the Statement off on behalf of the authority.

2 Conclusions and Reasons for Recommendation

2.1 The report requests the Audit Committee to consider the attached draft Annual Governance Statement. In particular the Committees role is to make any comments on either the contents of the Governance Statement, the supporting documents, or the processes that have been used in order to arrive at the draft Annual Governance Statement.

2.2 The attention of the Committee is drawn in particular to the conclusion regarding the review of The Effectiveness of the Council's internal control arrangements which is set out on Page 10 of Appendix 1. This concludes that:

"On the basis of the review of the effectiveness of the Governance framework that has been undertaken by Officers and scrutinised by the Audit Committee, it has been concluded that the arrangements have improved significantly over the last two years and can be regarded as fit for purpose being in accordance with both the Council's own governance framework and with the principles as set out within the CIPFA/SOLACE framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in this section of the Governance Statement. While significant improvement has been secured over the last two financial years the Council is aware of the importance of sustaining this improvement."

The Committee needs to decide in particular whether it concurs with the views that have been reached by Officers in this matter. It should be noted that if agreed this conclusion represents a significant improvement over the position at the end of the 2011/12 financial year recognising a significant improvement in our financial governance arrangements.

2.3. It should be noted that in the view of the Chief Financial Officer the Audit Committee has played a key role in securing this improvement by helping ensure that necessary changes have been actioned.

2.4. Finally, the Audit Committee needs to consider and review the Local Code of Corporate Governance which is set out in Appendix 2 to this report. On the basis of the limited change that has been made from the previous version it is suggested that the Audit Committee consider and approve Code but do not refer it to Council, with the issue of awareness raising being covered through the Member Development Programme.

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Reasons for Recommendation

2.5 To enable the Audit Committee to assess the appropriateness of the draft Annual Governance Statement and to make recommendations concerning any amendments which they may require.

3 Consultation and Equality Impact

Consultation

3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities

3.2 There are no direct implications, although the preparation of the Governance Statement will provide some high level assurances regarding the operation of current arrangements in these areas.

4 Alternative Options and Reasons for Rejection

4.1 Under the relevant guidance the Council is required to prepare an Annual Governance statement. Accordingly there is not an option that such a statement should not be prepared. The processes involved in its preparation reflect accepted good practice. With respect to the content of the Annual Governance Statement this reflects the deliberation and views of a range of Council officers and the Audit Committee which has enabled alternative options in respect of the content to be considered.

5 Implications

5.1 Finance and Risk Implications

Financial

The cost of preparing the Governance Statement will be met from within existing approved budgets. As such there are no additional financial implications for the Council.

Risk

Effective governance arrangements for local authorities are crucial if authorities are to meet the standards of accountability, integrity, consumer focus, democratic engagement and organisational effectiveness that are expected of them. The preparation of the Annual Governance Statement is one of the mechanisms that helps ensure that effective governance arrangements are in place. The gross impact of not having effective Governance arrangements in place would be significant with the CIPFA / SOLACE guidance taking the view that effective governance lies at the heart of a Council's managerial, performance and financial arrangements. The Governance Statement and associated Assurance Statement do, however, demonstrate that the Council has put in place a range of processes and procedures which taken together amount to a culture of effective governance.

While there remain a number of significant individual issues that need to be addressed and resolved to improve the Council's Governance arrangements the overall framework is sound and provides an appropriate base from which the address the individual issues identified within this report.

5.2 Legal Implications including Data Protection

The requirement to include an Annual Governance Statement within the Council's Statement of Accounts from the 2007/08 financial year onwards is set out within the Accounts and Audit Regulations and associated best practice. The processes outlined in the report should be sufficient to ensure that the Council's Governance Statement meets the requirements of both the relevant legislation and associated good practice.

5.3 Human Resources Implications

None arising directly from this report.

6 Recommendations

6.1 That Audit Committee consider the draft Annual Governance Statement and make any observations or recommendations which they consider to be appropriate.

6.2 That the Audit Committee having reviewed the effectiveness of the Governance Framework are satisfied that the Council's governance arrangements are fit for purpose.

6.3 That the Audit Committee approves the recommended amended Code of Corporate Governance as set out in Appendix 2.

6.4 That the Audit Committee requests that officers incorporate a training session into the Members Development Programme setting out the principles associated with good governance.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	All.
Links to Corporate Plan priorities or Policy Framework	Robust Governance arrangements underpin the effective operation of the Council and its ability to secure the full range of Corporate Plan Priorities.

8 Document Information

Appendix No	Title
N/A	CIPFA/SOLACE "Delivering Good Governance in Local Government" 2012.
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
External Audit Reports : KPMG "Annual Audit Letter 2012/13 (Council 27th November 2013) Report to those Charged with Governance ISA 260" (Audit Committee 26th September 2013). Internal Audit Consortium: "Summary of Progress on the Internal Audit Plan2013/14" (Audit Committee 4th February 2014).	
Report Author	**Contact Number**
Executive Director – Operations	2431

APPENDIX 1

DRAFT GOVERNANCE STATEMENT

Scope of Responsibility

Bolsover 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. Bolsover 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, Bolsover District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Bolsover 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 authority's code is on our website at www.bolsover.gov.uk or can be obtained from the Council's Governance Team. This statement explains how Bolsover District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare 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 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 Bolsover 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 Bolsover District Council for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Statement of Accounts.

The Governance Framework

The key components of the systems and processes that comprise the authority's governance arrangements include the following:

Bolsover District Council sets out its objectives within its Corporate Plan which is linked to both the Community Strategy and to a range of other Strategies and Plans. The District Council, working with our local community and key partners has agreed a vision and core values which are supported by a range of 6 corporate aims which were set out within the Council's Corporate Plan for 2011 - 15 as follows:

- Community Safety - Ensuring that communities are safe and secure.
- Customer focussed services – Providing excellent customer focused services
- Environment - Promoting and enhancing a clean and sustainable environment;
- Regeneration - Developing healthy prosperous and sustainable communities;
- Social Inclusion - Promoting fairness equality and lifelong learning;
- Strategic Organisation Development - Continually improving our organisation;

These aims provide a focus for the development of partnership working, delivery of our services, and for planned improvements and rationalisation of the services which are currently provided. The emphasis on progressing these aims is illustrated by the fact that all reports to Committee set out which of the Corporate Aims they are seeking to promote, while the Council undertakes an ongoing review of its services through the service planning process and by the review processes which include Performance Management by Executive and the work of the Scrutiny function.

Bolsover District Council has a formal constitution in place which sets out the roles and responsibilities of both Members and Senior Managers. The Constitution is available on the Council's website and is reviewed on an on-going basis. Policy and decision making is by means of an Executive Structure with Executive Member Portfolio holders. There are 3 Scrutiny Committees aligned to the Council's Corporate Plan Targets, together with a Budget Scrutiny Committee made up of all scrutiny members and an over arching Scrutiny Management Board. The Council also has both an Audit Committee which provides independent challenge and assurance regarding financial governance and risk management, and a Standards Committee which has responsibility for overseeing the operation of the Members Code of Conduct.

Bolsover District Council takes a number of steps to help ensure compliance with established policies, procedures, laws and regulations. There is a comprehensive corporate induction process, with a variety of awareness raising and training events being undertaken for both employees and Members. All staff have access to key policies and procedures which are readily accessible on the intranet. Formal Codes of Conduct are in operation for both Members and Officers. To support these high standards of openness and probity the Council has in place an effective complaints policy and procedures together with a whistleblowing policy.

The District Council has a Risk Management Strategy and associated framework in place, which is reviewed on a regular basis with independent assurance provided by the Audit Committee. The Council has embedded Risk Management by ensuring the provision of appropriate training, by regular reviews of the Strategic Risk Register, by incorporating the Service Risk Registers within the Service Planning process, and by requiring that all Committee Reports include a Risk assessment. The Risk Management Framework includes a quarterly reporting process which is integrated with our Performance and Financial management arrangements.

Bolsover District Council has a number of mechanisms in place for ensuring the economical, effective and efficient use of resources, and to ensure that we secure continuous improvement in the manner in which our functions are exercised in order to comply with the requirement to provide best value. Effective use of resources is ensured by a robust range of mechanisms including a range of consultation with local residents and other stakeholders, a well developed corporate and service planning process, by the careful consideration of service performance and development in order to ensure that our services are targeted at addressing priority requirements. Economy and Efficiency are ensured by good procurement practice, and by services which are responsive to customer requirements and operated in line with good practice.

A Scheme of Delegation sets out the powers of Senior Officers, while the Financial Regulations and Contract Procedure Rules are an integral part of the Constitution. The performance against budget is monitored on a continuous basis with cost centre managers having access to the financial ledger, while the accountancy team provide monitoring reports on a monthly basis. The Council's quarterly reporting process is delivered through quarterly meeting with all Directorates where Performance, Finance and Risk are considered. This approach is intended to ensure that any significant budget variances or performance issues are identified at the earliest opportunity. Formal monitoring reports are taken to Executive, with these reports then being forwarded to the Budget Scrutiny and Audit Committee.

Performance Management is at the core of our managerial arrangements with quarterly reports on Corporate Plan Performance being provided to Executive. The Council monitors progress against a range of performance targets which incorporate both national and local priorities. Performance Targets together with key operational priorities are set out within the Corporate Performance Management Framework and supporting Service Plans. These in turn are linked to the Council's Corporate Plan and supporting Plans and Strategies to help ensure that our resources are utilised for the achievement of agreed priorities.

The District Council contributes to the delivery of the Community Strategy for our residents through the Corporate Plan and the range of associated Plans and Strategies. The Council updates its Service Planning Framework on a regular basis and reports publicly to ensure our residents are kept informed regarding progress on those issues which they view to be critical to the wellbeing of our community. Reports which are available to residents include those of all formal meetings and Scrutiny Papers which are available on the website, articles in the Council's newsletter 'In Touch' which is distributed three times a year, briefings to the local press and public consultation. Progress against the Council's key priorities is reported to Executive on a quarterly basis as part of the suite of Performance reports.

The arrangements for the provision of internal audit are set out within the Council's Financial Regulations which are part of the Council's Constitution. The Chief Financial Officer is responsible for ensuring that there is an adequate and effective system of internal control relating to both the Council's accounting and its other systems of internal control as required by the Accounts and Audit Regulations 2011. As required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government the Council's Chief Financial Officer is professionally qualified, reports directly to the Chief Executive and is a full member of the Corporate Management Team. The internal audit provision has from the 1st April 2007 been independently managed by the Head of the Internal Audit Consortium. This is an arrangement for the provision of Internal Audit on a consortium

basis by Bolsover, Chesterfield and North East Derbyshire, with the service being hosted by Chesterfield Borough Council on behalf of the three authorities. The Council's Internal Audit function has been internally assessed as being compliant with the Public Sector Internal Audit Standards (PSIAS) which came into effect on 1st April 2013 replacing the CIPFA Code of Practice for Internal Audit in Local Government 2006. The work undertaken is agreed within the Audit Plan prepared by the Head of the Consortium which is prioritised in order to reflect the key internal controls, assessment and review on the basis of risk and the Council's corporate governance arrangements, including risk management. The Council operates its internal audit arrangements in line with the requirements set out within the CIPFA Statement on the Role of the Head of Internal Audit. Audit work involves reviews of the main financial systems, scheduled visits to Council establishments and fraud investigations. The annual work plan is discussed and agreed with the Council's Section 151 officer, and with the Audit Committee. It is also shared with KPMG the Council's external auditor. This is part of a process of liaison intended to ensure that the work of internal and external audit is complementary and that duplication is avoided. The Internal Audit reports which arise out of the process include an assessment of the adequacy of internal control, and set out recommendations which are aimed to address those areas where potential for improvement has been identified. These are submitted to the relevant officers within the Council who are required to implement any accepted recommendations. The outcome of the process is reviewed by the Chief Financial Officer, by the Council's Strategic Alliance Management Team (SAMT) and by the Audit Committee.

Review of Effectiveness

Bolsover 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 Authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Council's review of the effectiveness of the system of internal control is informed by:

- There is a Constitution in place which provides a formal Governance framework, with decisions taken in an open and accountable fashion. Internally, those decisions are subject to Scrutiny, and the Council has an active Standards Committee;
- Assurances from the responsible Executive Directors based on management and performance information, officer assurance statements, Scrutiny reports and the outcome of internal reviews including those looking at joint services.
- The work undertaken by the Internal Audit consortium during the course of the year;
- The work undertaken by the external auditor as reported in their Annual Audit Letter and in the Report to those charged with governance (ISA 260);

The Council's External Auditors KPMG restrict their comments to the Published Accounts and as to whether the Council's provides Value for Money. The most recent review of the Council by external audit was provided by KPMG in its Annual Audit Letter relating to the 2012/13 Accounts. This letter which was reported to the Council meeting on 27 November 2013 gave an unqualified opinion in respect of both the published accounts and the Value for Money conclusion. The Annual Audit Letter did note considerable improvements over the Council's performance in the previous financial year although further work was considered necessary in a number of areas including in respect of contract management.

With respect to the outcomes of the independent scrutiny undertaken by Internal Audit of the 29 audits undertaken during 2013/14 only three resulted in a marginal outcome.

The effectiveness of the Governance framework has been overseen by the Council's Audit Committee which has considered all of the key reports concerning the Council's Governance arrangements. It has requested that updates be brought to all meetings of the Committee regarding the progress in addressing the key areas of weakness that have been identified. The reports of External Audit are considered by full Council.

The conclusion that has been reached in respect of 2013/14 needs to be contrasted against that in the previous two financial years. During the course of 2011/12 a range of significant weaknesses were identified which included poor quality financial accounts. Weaknesses in contract management led to the External Auditors giving a qualified VFM conclusion in 2011/2. In addition to the criticisms raised by External Audit Internal Audit undertook some 28 separate audits reviewing internal control arrangements which concluded that almost 50% of the areas considered had internal control arrangements which fell below a desirable level.

During 2012/13 significant progress was secured in addressing the weaknesses that had been identified. Financial management and budgetary control arrangements were improved with a significant level of in year savings achieved in order to secure a balanced outturn position. Improved arrangements for managing finance, performance and risk were introduced, with significant progress made in resolving issues around the governance of contracts. The Audit Committee played an effective role in monitoring the governance arrangements of the Council with regular updates being provided concerning the position in respect of identified weaknesses, while the Budget Scrutiny Committee helped ensure that Elected Members are fully informed of the Council's financial position. Work undertaken by Internal Audit supported the view that the Council internal control arrangements were improving; however, it remained the case that in a number of areas further improvement was required. The improvements secured during 2012/13 have been consolidated during 2013/14 as evidenced by the improved outcome from Internal Audit reports.

On the basis of the review of the effectiveness of the Governance framework that that has been undertaken by Officers and scrutinised by the Audit Committee, it has been concluded that the arrangements have improved significantly over the last two years and can be regarded as fit for purpose being in accordance with both the Council's own governance framework and with the principles as set out within the CIPFA/SOLACE framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in this section of the Governance Statement. While significant improvement has been secured over the last two financial years the Council is aware of the importance of sustaining this improvement.

Significant Governance Issues

The significant governance issues identified by the Council have already been covered in the sections above. They may, however, be summarised as follows:

At a Strategic Level the key issue for the Council is that as a result of the Comprehensive Spending Reviews of 2010 and 2013 the underlying financial pressures on local authorities have increased significantly. Bolsover District Council has been required to secure savings of £1.9m between 2012/13 and 2013/14. Further savings of £2.2m are required between

2014/15 and 2016/17. In order to secure the necessary savings the Council will need to continue to reduce staffing numbers and to reorganise processes and procedures both of which have the potential to impact significantly on the Council and the services it provides. The Council is aware of these risks and is seeking to manage them appropriately. Given the scale of the efficiencies that are necessary the internal control environment, levels of performance and service delivery more generally continue to require careful monitoring during the course of the current financial year.

With effect from April 2011 the Council entered into a Strategic Alliance with a neighbouring authority North East Derbyshire District Council. Joint working arrangements have made significant progress and the two Councils now operate with a joint Management team down to third tier level. Joint Working is now operational within most services, although only Environmental Health is operating on the basis of a fully shared service. While one of the key reasons for entering into this partnership is to achieve the efficiency savings that both Council's need to secure, the Strategic Alliance is also seen as a key mechanism for managing the risks that both Council's will face as a result of the significant reduction in their funding resources.

In addition to the above strategic internal control issues there are a number of other more specific areas where the Council is currently marginal in terms of meeting the requirements of best practice. These issues are outlined below with all of the areas identified for improvement currently the subject of a Corporate Action Plan (including target dates), with progress against that Action Plan being reported as a standing item to the Council's Audit Committee.

Issue Identified	Action to Address
1. The Annual Governance Letter from the External Auditors in respect of the 2011/12 Financial Accounts noted improvements in the presentation of the final accounts, although further work remained outstanding to secure accounts of the required standard. While the accounts were unqualified the Council did receive a qualified VFM conclusion. This was indicative of a range of wider failings in the culture of financial and performance management. These wider issues included budgetary control, project management and the measuring / reporting of performance. These conclusions were in line with those of Internal Audit.	The Council has continued to work to improve its financial and performance management. The necessary improvements in accounting arrangements have been secured and financial management across the Council has been strengthened. During 2012/13 and 2013/14 there have been significant improvements in the Council's internal control arrangements and these are now fit for purpose. It is, however, crucial that these standards are maintained during 2014/15 and beyond which will be challenging in the light of the extent of change that will be necessary in order to operate effectively within the context of ongoing reductions in the underlying resource base. The Council will continue with work intended to consolidate this improvement.
2. Whilst the Council's budget is balanced over the period of the Medium Term Financial	In setting its Medium Term Financial Plan the Council agreed a range of measures to deliver the efficiency

Plan it should be noted that the budget is balanced on the basis that significant efficiency savings will be secured during the period of that Plan. If these efficiencies (which amount to some £2.2m over the next three years) are not secured then the Council will be forced to reduce expenditure in a relatively uncontrolled fashion which will impact upon both the quality of services to local residents, and on the internal control environment.	gains necessary to operate within the underlying level of resources available to the Council. Achievement of these measures is monitored on a regular basis by Executive. While appropriate steps have been taken it needs to be recognized that the efficiency targets are challenging, in part are dependent upon partnership working and will require further reductions in staff numbers and budgets. In considering measures to maintain a robust financial position the Council also needs to give careful consideration to the impact of such measures on local services.
3. To secure further improvements in financial reporting with respect to the Council's published accounts and in the Council's financial management arrangements.	The Council has continued to improve the quality of its financial accounts as demonstrated by the External Audit reports in respect of both 2011/12 and 2012/13. The improvements secured to date provide a firm foundation for consolidation of progress and to address a small number of residual issues. After a significant range of changes some 2 years ago the team is now well established and is well placed to secure further improvements in both financial reporting and financial management.

We propose over the coming year to take steps to address the above matters to ensure that our governance arrangements are robust. 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:

Eion Watts
Leader of the Council

Wes Lumley
Chief Executive

APPENDIX 2

CODE OF CORPORATE GOVERNANCE

BOLSOVER DISTRICT COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

Draft Revised Version May 2014

EXECUTIVE SUMMARY

Governance comprises systems and processes for the direction and control of local authorities through which they account to, engage with, and lead their communities. In other words, it is about how local authorities ensure that they are doing the right things, in the right way, for local people in a timely, inclusive, open, honest and accountable manner.

This Local Code of Corporate Governance has been developed to ensure that Bolsover District Council has, and will continue to have, exemplary standards of governance which comply with best practice.

The first part of this document sets out the background to the Code following the publication of the revised Delivering Good Governance Framework issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE) in 2012.

The CIPFA/SOLACE Framework identified six principles of good corporate governance:

(i) Focusing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area;

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

(iii) Promoting the values of the Authority and demonstrating the values of good governance through behaviour;

(iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

(v) Developing the capacity and capability of Members to be effective and ensuring that officers (including statutory officers) also have the capability to deliver effectively;

(vi) Engaging with local people and other stakeholders to ensure robust local public accountability.

In the second part of this document, the Council's progress against each of these principles and their supporting framework is tracked and documented. This second section is largely based on the information used to develop the Council's Annual Governance Statement.

Progress against the principles set out in this Code will be monitored and reviewed on an on-going basis, with a formal report brought before Members at least annually.

INTRODUCTION

1 <u>Background</u>

1.1 In 2001, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE), together with the support of a number of other key organisations, formed a working

party with the aim of drawing together the key principles of corporate governance into a single framework for use in local government.

1.2 This followed the work by Lord Cadbury into good governance and Lord Nolan into standards in public life, as well as primary legislation, and culminated in the publication of a governance framework entitled *Corporate Governance in Local Government: A Keystone for Community Governance*.

1.3 This Framework recommended that local authorities review their existing governance arrangements against a number of key principles and report annually on their effectiveness in practice. Through the adoption and development of the Framework, authorities were encouraged to meet the standards of the best.

1.4 Since the Framework was published, local government has undergone a number of changes designed to improve local accountability and engagement in local government. This has included on-going changes to democratic structures and the ethical framework.

1.5 To meet these challenges, the CIPFA and SOLACE Working Party was reformed and the original Framework was revised. The revised Framework builds on the governance work in both the public and private sectors and, in particular, the principles set out in *Delivering Good Governance in Local Government* publication.

1.6 In order to achieve good governance, the revised Framework recommends that each local authority should be able to demonstrate that they are complying with the principles contained within the Framework. This should be done through the development and maintenance of a local code of corporate governance.

1.7 This document has been developed to ensure that Bolsover District Council has, and continues to have, exemplary standards of governance which comply with the principles set out in the CIPFA/SOLACE Framework.

2 What Do We Mean By Governance?

2.1 The Council has adopted the CIPFA/SOLACE Framework's definition of corporate governance:

> *Governance comprises systems and processes for the direction and control of local authorities through which they account to, engage with, and lead their communities.*
>
> *In other words, it is about how local authorities ensure that they are doing the right things, in the right way, for the people in a timely, inclusive, open, honest and accountable manner.*

2.2 Good governance leads to good management, good performance, proper stewardship of public money, effective public engagement and, ultimately, good outcomes for residents and service users. Good governance enables councils to pursue their vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

3 The Six Principles

3.1 The CIPFA/SOLACE Framework defined six core principles of good governance. These involve:

(i) Focusing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area;

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

(iii) Promoting the values of the Authority and demonstrating the values of good governance through behaviour;

(iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

(v) Developing the capacity and capability of Members to be effective and ensuring that officers (including statutory officers) also have the capability to deliver effectively;

(vi) Engaging with local people and other stakeholders to ensure robust local public accountability.

3.2 Bolsover District Council is committed to these six principles of good governance. This Code set out how the Council complies with the six principles to ensure good standards of governance.

4 Monitoring and Review

4.1 The Council will undertake an annual review of its governance arrangements to ensure that they are adequate and operating effectively in accordance with best practice. Where gaps are identified, action will be planned and undertaken to ensure improvement in future governance arrangements. The findings of this annual review will be presented to the Council's Audit Committee.

4.2 The Council will also prepare an Annual Governance Statement that will be submitted to the Audit Committee for consideration.

This Annual Governance Statement will include:

(i) Identified Councillors and key officers who have responsibility for ensuring that there is good governance including internal control mechanisms;

(ii) The systems and processes in place to provide good governance and how these are checked and tested;

(iii) The key elements of the corporate governance arrangements;

(iv) The process for maintaining and reviewing the effectiveness of governance arrangements;

(v) Actions taken or actions planned to address significant governance issues;

(vi) A clear summary of the resources needed to support the corporate governance arrangements.

Having been first considered by the Audit Committee this statement will be signed on behalf of the Council by the Leader of the Council and the Chief Executive.

Councillor Eion Watts	Wes Lumley
Leader of the Council	Chief Executive

Date:

HOW THE COUNCIL MEETS THE SIX PRINCIPLES

Principle 1

Focusing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

The function of governance is to ensure that authorities, other local government organisations or connected partnerships fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. This concept should guide all governance activity.

Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisation and to external stakeholders.

Supporting Principles

- 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.

The local code should reflect the requirement for local authorities to:

1.1 Develop and promote the authority's purpose and vision.

Position at BDC: This Code is based upon a clear community focus as set out in the Community Strategy and Corporate Plan which sets out the links between community engagement, service planning and delivery, and the maintenance of appropriate standards of conduct.

1.2 Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements.

Position at BDC: The Council keeps its vision for the local area under regular review as part of the development of the Corporate Plan and the service planning process. This Code and its impact is formally reviewed and reported on at least an annual basis, but given the links between the Code and other areas of the Council's operations that review in reality is undertaken on an on-going basis.

1.3 Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.

Position at BDC: The Council has a proactive partnership team who ensure that the Council's values and those of key partners are shared.

1.4 Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.

Position at BDC: The Council publishes Annual Accounts and an Annual Report. These documents and a range of supporting evidence are available on the website. In addition the Council newspaper "In Touch" is circulated to all residents three times a year. The Corporate Plan is supported by detailed service plans which establish the Council's objectives and performance targets.

1.5 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.

Position at BDC: The Authority's strategies and plans all contain performance targets and action plans that provide a SMART framework against which progress can be evaluated. In particular, the Performance Framework is designed to ensure that key indicators of progress are monitored and reported on at least on a quarterly basis. The information obtained from monitoring against internal targets is supported by information gathered from residents and other stakeholders from a variety of sources in order to ensure that we have a rounded picture of the public's view of the services provided. In particular the Council's quarterly performance management framework includes a detailed report summarising Compliments, Comments and Complaints.

1.6 Put in place effective arrangements to identify and deal with failure in service delivery.

Position at BDC: The Council has in place a number of methods for measuring resident / stakeholder satisfaction including resident surveys and the Citizen's Panel. The Compliments, Comments and Complaints procedure monitors issues of concern for service users and results in reports to both SAMT and Executive enabling informed corrective action to be taken.

1.7 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.

Position at BDC: Value for Money criteria are effectively established by the Council's performance targets, which are reviewed and established on an annual basis and set out in Service Plans. These are reviewed on an on-going basis including quarterly reports to Members. The Council is working to reduce both its own carbon footprint and that of the wider district.

Principle 2

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

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.

Supporting Principles

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

- 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.

<u>The local code should reflect the requirement for local authorities to:</u>

2.1 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.

Position at BDC: This is set out in the Council's Constitution. All Committee meetings are formally minuted and minutes formally approved.

2.2 Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers.

Position at BDC: The roles and responsibilities of Members and senior officers are set out in the Constitution, being further supported by the Member and Officer protocols and for officers by job descriptions and contractual terms.

2.3 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.

Position at BDC: The Constitution incorporates a scheme of delegation, and sets out the roles, powers and limits upon the power of individual officers and Members. The Constitution reflects best practice, including an appropriate approach to the Council's statutory duties and powers.

2.4 Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management.

Position at BDC: The Chief Executive is the Head of Paid Service and that role together with the associated job description makes him the responsible officer for the effective discharge of the Council's operational issues. In discharging these duties the Chief Executive is supported by the Council's wider managerial arrangements and by the performance management framework.

2.5 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.

Position at BDC: Regular meetings are held between the Council's Leader and the Chief Executive. These are part of a broader framework of appraising the performance of the Chief Executive.

2.6 Make a senior officer (usually the section 151 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.

Position at BDC: The Executive Director – Operations (previously Director of Corporate Resources) has been designated as the Council's S151 officer responsible for the sound financial administration of the authority. The duties are incorporated within the job descriptions of the Director.

2.7 Make a senior officer (other than the Responsible Financial Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Position at BDC: The Assistant Director – Monitoring Officer and Governance is the Council's Monitoring Officer. Roles and responsibilities are set out in the job description / person specification.

2.8 Develop protocols to ensure effective communication between members and officers in their respective roles.

Position at BDC: Protocols are in place setting out the roles and responsibilities of Members and officers (these support the powers established under the Constitution). These protocols are supported by a range of working arrangements, which help to ensure that the underlying relationships are constructive and support the effective working and development of the Council.

2.9 Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel (if applicable).

Position at BDC: Under the move to a Strategic Alliance the Council has adopted the pay scales of North East Derbyshire as the appropriate pay scale for senior officers. These pay scales were determined by a panel in the light of external advice. Details are available on the website. There is an annual report on pay and conditions which is reported to Council. The Members allowances / remuneration scheme is considered through appropriate good practice processes and procedures, and is publicised on the website. Members allowances were reviewed in 2011 (with a review scheduled for 2014) by an independent panel and full details are set out on the Council's website.

2.10 Ensure that effective mechanisms exist to monitor service delivery.

Position at BDC: The Council has in place a Performance Management Framework and a complaints framework which in conjunction enable the effective monitoring of service delivery.

2.11 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.

Position at BDC: The development of the Council's Corporate Plan is an ongoing process of raising awareness and undertaking consultation concerning the Plan. Key consultees include an internal audience of Members, officers and employees. External consultees include parish councils, the LSP, and the full range of other statutory agencies. Residents' views are sought through local Members, via the use of surveys, the Citizens Forum, focus groups, public meetings and via complaints, compliments, comments and other communication with the Council and its officers (in particular contact between service providers and the public).

2.12 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.

Position at BDC: Within each significant partnership there are formal constitutions and governance arrangements in place, which set out objectives, roles and responsibilities, and the constitution/governance arrangements of the partnership. These are supported by either business or project plans, which detail funding support and managerial arrangements. The Council has a Partnership Team in place who provide support for our other partnership arrangements.

2.13 When working in partnership:

- **Ensure that there is clarity about the legal status of the partnership;**
- **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.**

Position at BDC: For any significant partnerships the Council gives appropriate consideration to the issues before entering into the partnership. The legal status in particular would be subject to appropriate review. One of the criteria that would be considered before entering into a partnership would be its consistency with the principles of accountability and governance, which the Council applies to its own internal arrangements.

Principle 3

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

Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour.

Good governance builds on the seven principles for the conduct of people in public life that were established by the Committee on Standards in Public Life, known as the Nolan principles. In England, the Local Government Act 2000 outlined ten principles of conduct – an additional three to those identified by Nolan – for use in local government bodies. The

seven Nolan principles are set out in the guidance notes accompanying this Framework. The seven principles form a part of the Members' Code of Conduct at BDC. Training on the code is offered to all members.

A hallmark of good governance is the development of shared values, which become part of the organisation's culture, underpinning policy and behaviour throughout the organisation, from the governing body to all staff. These are in addition to compliance with legal requirements in respect of, for example, equal opportunities and anti-discrimination.

Supporting Principles

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

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

The local code should reflect the requirement for local authorities to:

3.1 Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.

Position at BDC: The Council's Constitution and its values clearly establish an overriding requirement that our actions are characterised by openness and accountability. The Monitoring Officer decides which reports meet the legal / good practice criteria before they are deemed to be confidential or exempt. All decisions are minuted, and reports are available online, or alternatively may be obtained as a hard copy.

3.2 Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols.

Position at BDC: The Constitution, the Member and Officer Codes of Conduct, the Whistleblowing and Anti-Fraud Strategies, and a variety of other mechanisms all work together to provide an operational framework, which sets out clear expectations and standards regarding what constitutes acceptable behaviour. All policies are effectively communicated to Members, officers and employees including availability on the website.

3.3 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.

Position at BDC: The Constitution and codes of conduct all set out clear expectations and requirements of Members and officers. Where an interest exists it is made clear that individuals have a responsibility to declare this, and that in certain circumstances they must not participate in any way that might influence the decision making process.

While the key emphasis is rightly upon informed openness by individuals, the Council has a well-publicised whistle-blowing policy which is currently being reviewed which would enable others to bring to the attention of the Authority potential conflicts of interest for investigation.

3.4 Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners.

Position at BDC: See the codes of conduct, but also the statement of values set out in documents including this Code and the Anti-Fraud Strategy which give a clear commitment to openness, honesty and integrity.

3.5 Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.

Position at BDC: Constitution and codes of conduct. Appropriate awareness raising training is provided to Members/officers, and Members are reminded of the Code of Conduct requirements on declaration of interests at the outset of all Council meetings.

3.6 Develop and maintain an effective standards committee.

Position at BDC: A Standards Committee is in place which has appropriate terms of reference and membership including co-optees and which meets on a regular basis. The Committee's minutes are reported to Council, and under the Constitution it has a direct right of report to Council. The Chairman reports to Council on an annual basis.

3.7 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.

Position at BDC: The Council has clear shared values set out in the Corporate Plan. All reports to Committee are agreed by the Strategic Alliance Management Team, and they are responsible for ensuring that the reports are in line with the Council's values. Reports are then agreed by Members who determine the Council's values. Members are given appropriate training to enable them to establish and uphold appropriate values.

3.8 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.

Position at BDC: The Council's representatives on partnerships are required to reflect and champion the Council's values within those partnerships, and the partnerships' constitution must be compatible with the Council's values for the Council to participate. If the Partnership does not have its own code of conduct, Members are required to comply with the BDC Code of Conduct.

Principle 4

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

Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, authority members must be well informed.

Members making decisions need the support of appropriate systems, to help to ensure that decisions are implemented and that resources are used legally and efficiently.

Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

Supporting Principles

- 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 legal powers to the full benefit of the citizens and communities in the area.

The local code should reflect the requirement for local authorities to:

4.1 Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible.

Position at BDC: The functioning of Scrutiny is well established and operating effectively supported by a separate officer. These arrangements and the effective engagement of other Members and Officers of the Council help ensure that Scrutiny's analysis and recommendations are supported by robust evidence, data and critical analysis. The outcome of Scrutiny work is a range of reports which are considered by Executive.

4.2 Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.

Position at BDC: Decision making protocols and powers are set out in the Council's Constitution. These also establish what record of the decision needs to be maintained. For Executive reports the quality assurance process is the Chief Executive, Directors and Monitoring Officer, while for Delegated Decisions the originating officer and the responsible Director need to ensure that the decision has been appropriately taken, and that appropriate advice has been taken and consultation undertaken. Relevant Delegated Decisions are recorded and published in line with the legal requirements. All decision making committees and the Executive are appropriately minuted setting out the criteria, rationale and considerations on which decisions are based.

4.3 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.

Position at BDC: There are Member and Officer Codes of Conduct which require all interests to be declared, and to ensure that the individual involved does not play a role in the decision making process where there is a potential conflict of interest.

All gifts and hospitality are required to be officially recorded, and the Council's Constitution includes Financial Regulations and Contract Procedure Rules which establish what constitutes acceptable behaviour in respect of the letting of contracts. Members complete Register of Interests forms in accordance with legislative requirements and the requirements of the Code of Conduct. All members and senior officers are required to complete a Related Party Transaction declaration at the end of each financial year.

4.4 Develop and maintain an effective audit committee (or equivalent) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee.

Position at BDC: An Audit Committee is well established. Its terms of reference are in line with CIPFA / SOLACE requirements. Appropriate training is given to those Members on the Committee. In May 2013 the Committee undertook a review of its effectiveness against and compliance with the CIPFA / SOLACE guidelines for an effective Audit Committee.

4.5 Put in place effective, transparent and accessible arrangements for dealing with complaints.

Position at BDC: The Council has a written complaints procedure in place, which is monitored and reported to Strategic Alliance Management Team and Executive on a quarterly basis. The Council endeavours to ensure that service users are made aware of their rights under the complaints procedure, and where appropriate are able to refer issues or complaints to external adjudicators.

4.6 Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.

Position at BDC: A comprehensive induction process is provided following the District Council elections, and this is supported by on going training / awareness programmes. There is a comprehensive Member Development Programme overseen by a Member Development Working Group and Members are able to benefit from agreed Personal Development Plans. All reports to Executive / Council are cleared by the Council's Chief Executive, Directors and Monitoring Officer. Reports to Scrutiny and other Committees are cleared by an appropriate Senior Officer of the Council.

4.7 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.

Position at BDC: All reports include a section detailing legal and financial implications. These are agreed by SAMT, the Monitoring Officer and the CFO who take a view on the adequacy of the professional advice that has been provided. All reports are processed and despatched in accordance with an agreed timetable, unless there are exceptional circumstances which require a late report to be considered. These requirements are supported by the Constitution and the standard report template.

4.8 Ensure that risk management is embedded into the culture of the organisation with members and managers at all levels recognising that risk management is part of their job.

Position at BDC: The Council has a well established Risk Management Framework and a range of training arrangements. Risk Management has a high profile within the authority, with job descriptions reflecting the requirements to manage risk, all formal reports having a Risk Management section and all major projects covered by a Risk Register.

4.9 Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access.

Position at BDC: The Council has a well established whistle-blowing policy available in the Employee Handbook and on the intranet. It is covered in the induction arrangements and is publicised on a regular basis. The Whistle Blowing Policy is currently being reviewed and it is anticipated that the revised policy will be adopted in the spring of 2014.

4.10 Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.

Position at BDC: All officers are appropriately selected and trained to undertake the duties as set out in their job description which includes an awareness of the prevailing statutory framework. This is supported by the Council's Constitution, and by the Monitoring Officer, legal team, internal audit and other challenge arrangements which would help to identify any activity which falls outside of the Council's powers. For new initiatives the quality assurance process for reports should ensure that activities outside our powers are identified prior to implementation.

4.11 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.

Position at BDC: As in 4.10.

4.12 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 procedures and decision making processes.

Position at BDC: As in 4.10.

Principle 5

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

Effective local government relies on public confidence in authority members, whether elected or appointed, and in officers. Good governance strengthens credibility and confidence in our public services.

Authorities need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding, and authority members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many types of knowledge and experience.

Good governance means drawing on the largest possible pool of potential members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election or apply for appointed positions will develop a membership that has a greater range of experience and knowledge. It will also help to increase the diversity of authority members in terms of age, ethnic background, social class, life experiences, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organisations.

Supporting Principles

- 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.

The local code should reflect the requirement for local authorities to:

5.1 Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.

Position at BDC: Human Resources have developed a standard corporate induction process for all new members of staff; while at a service level induction is required to cover any service specific induction issues. The appraisal process identifies any training needs, and develops a plan to deliver these which is monitored on an ongoing basis. The person specification should ensure that only appropriately qualified individuals are appointed in the first place. A range of corporate awareness training is also provided to managers by means of managers' meetings, Core Brief and other mechanisms. For Members an induction process is provided after District Council elections, Members have access to an appraisal process which identifies individual needs and a range of corporate training/awareness structured around a Member Development Programme overseen by the Member Development Working Party is undertaken on an ongoing basis.

5.2 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 organisation.

Position at BDC: The job description/person specification is intended to ensure that only appropriately qualified and experienced individuals are short listed for these positions. The appointments process ensures that a competitive process is in place, which has attracted candidates with the appropriate range of personal attributes and skills. The Council's statutory officers are professionally qualified and are aware of their professional responsibilities regarding the management of the Council, and of the powers which are available to them to ensure that they have the appropriate level of resources to enable them to discharge those responsibilities effectively. The Strategic Alliance Management Team which takes the key decisions regarding which reports should go before committee includes the three statutory officers of the Council, and the role of these officers is well understood across the organisation. Furthermore, the process for agreeing reports and for

taking major decisions is designed so that these officers are actively involved in these processes to ensure that the organisation is appropriately managed.

5.3 Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.

Position at BDC: Employees are subject to an appraisal supplemented by 1 to 1s which incorporates an assessment of performance and training requirements. These are developed into a corporate training plan. Members are provided with appropriate training under a systematic Member Development Programme agreed by the Member Development Working Party.

5.4 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.

Position at BDC: The Council has both an effective Members Development Programme (See 5.3 above) and Scrutiny process (see 4.1).

5.5 Ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs.

Position at BDC: The Council's Corporate Plan together with related strategies and plans set out clear actions and targets against which progress can be monitored. In addition there are a range of key performance indicators and other performance targets covering all relevant services, which are monitored on a quarterly basis. The Council also encourages external review where appropriate.

5.6 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.

Position at BDC: The Council has developed a range of mechanisms for consultation. We have a range of forums for engaging with our citizens including Public Meetings, Tenants Panel, and reviewing individual compliments, comments and complaints in order to consider whether there are underlying general trends. In addition to consultation the Council also actively encourages engagement by members of the Community in the Council's activities.

5.7 Ensure that career structures are in place for members and officers to encourage participation and development.

Position at BDC: The Council's structures with a well developed Executive and Scrutiny system offer a good range of opportunities for all Members to participate at a range of levels in the Council's managerial and Governance arrangements. The Council has in place appropriate arrangements to ensure that Officers are able to participate in structured Personal Development, whilst the Council's establishment allows opportunities for career progression.

Principle 6

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

Local government is accountable in a number of ways. Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions. All authorities are subject to external review through external audit of their financial statements.

They are required to publish their financial statements and are encouraged to prepare an annual report. Many are subject to national standards and targets. Their budgets are effectively subject to significant influence and overview by Government, which has powers to intervene. Both members and officers are subject to codes of conduct. Additionally, where maladministration may have occurred, an aggrieved person may appeal either through their local councillor or directly to the ombudsman.

Supporting Principles

- 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.

The local code should reflect the requirement for local authorities to:

6.1 Make clear to themselves, all staff and the community, to whom they are accountable and for what.

Position at BDC: This Code sets out clear links between the Council and the community, and sets out the requirement of the Council to be accountable, to display integrity, openness and inclusivity in our activity.

6.2 Consider those stakeholder bodies to whom the organisation is accountable and assess the effectiveness of the relationships and any changes required.

Position at BDC: The Corporate Plan, the Medium Term Financial Plan and our Directorate Service Plans give structured consideration to the views of the Council's key stakeholders.

6.3 Produce an annual report on scrutiny function activity.

Position at BDC: An annual report is provided to full Council concerning the performance of the scrutiny function.

6.4 Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively.

Position at BDC: The Council has a clear Communications Strategy in place utilising the website, the In Touch newspaper which is distributed to all residents, publicity material at reception, and articles in the local newspaper. These mechanism also incorporate questions designed to secure feedback on the effectiveness of the various approaches utilised.

6.5 Hold meetings in public unless there are good reasons for confidentiality.

Position at BDC: All meetings are held in public, and reports and decisions are available on the Internet or in hard copy upon request. All confidential / exempt items are agreed by the Monitoring Officer in order to ensure that they meet with the statutory definition of items which can be regarded as being confidential / exempt. The Council complies with legislative requirements to advertise in advance those parts of meetings which are to be held in private.

6.6 Ensure 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.

Position at BDC: The Council has in place a wide range of engagement mechanisms including public meetings, web based consultation, and engaging with difficult to reach groups including young people. This is supported by targeted surveys, questionnaires and focus groups. These arrangements are set out within the Consultation and Communications Strategy. The Council has achieved the Achieving Level in respect of equalities which demonstrates that the Council has appropriate procedures in place and has used these to achieve good outcomes in terms of engaging all sections of our community.

6.7 Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users, including a feedback mechanism for those consultees to demonstrate what has changed as a result.

Position at BDC: See 6.6.

6.8 On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.

Position at BDC: The Annual Report that covers performance issues is contained within the Council's Corporate Plan. Annual financial statements which cover the outturn position are provided within the Annual Statement of Accounts with more detailed reports being provided to committee and made available on the Council's website. While the Service Plans are essentially forward looking documents the objectives and aspirations which they incorporate are based upon previous year's trends, and contain both details about, and analysis of, previous performance.

6.9 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 the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

Position at BDC: The Council's Constitution and its overall ethos as set out in the Corporate Plan make it clear that it has mechanisms and processes in place which facilitate openness and transparency. The Communication and Engagement Strategies as set out in the previous section have been explicitly developed in order to achieve these objectives.

6.10 Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

Position at BDC: The Constitution and the Council Corporate Plan and supporting documentation and strategies incorporate a clear role for our employees in the development and delivery of our plans. A formal consultation mechanism is in place in the form of the UECC (Union and Employee Consultation Committee) which involves Members, senior officers and trade union representatives. In addition, all employees are involved in the service planning process, have team meetings, attend staff roadshows, and a variety of other forms exist for staff suggestions.

APPENDIX 3

BOLSOVER DISTRICT COUNCIL:
ASSURANCE STATEMENT PREPARED IN SUPPORT OF THE 2013/14 ANNUAL GOVERNANCE STATEMENT

Note:
The following table is based upon a model approach outlined in the Publication "A Rough Guide to the Annual Governance Statement" provided by CIPFA's Finance Advisory Network (FAN).
Column A – Gives details of the type and range of assurances which the FAN Guidance specifies.
Column B - Gives information regarding the practices and policies in place at BDC which provide the relevant assurance.
Column C – Provides information about the type of evidence which FAN would consider appropriate to demonstrating that the assurance set out in Column A has been met. This can be compared against the evidence presented in Column B in respect of the Position at BDC in order to assist in evaluating whether BDC is fully compliant.

Suggested examples of assurance and evidence in support of the authority's annual governance statement.
Objective 1: Establishing principal statutory obligations and organisational objectives:

Step 1: In support of objective 1 – Mechanism established to identify principal statutory obligations		
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
1. Responsibilities for statutory obligations are formally established	• The Council has a constitution which sets out a clear governance framework, covering the powers, roles and responsibilities of Members, the Executive, Council and Officers. The Constitution is revised on an on going basis and is available on line to both internal and external users. This covers the roles and responsibilities of key officers. • Appropriate minutes / records are kept of all delegations / delegated decisions. • The Council has a staff establishment which can only be amended with formal Committee approval, this is supported by structure charts with job descriptions for all officers. • Protocols are in place covering what is expected of both officers and Members. These are distributed in hard copy, are available on the intranet, and appropriate awareness sessions are undertaken to ensure that individuals are aware of their responsibilities.	• Documents (e.g. constitution) recording individual officer and member responsibilities • Minutes of delegations to officers and committees • Committee terms of reference • Job descriptions of key officers • Structure charts • Member/officer protocols

Examples of assurance: (A)	Position at BDC : (B)	Type of Evidence suggested by FAN : (C)
2. Record held of statutory obligations	• The Council subscribes to a number of relevant publications and is a member of EM Lawshare which provides both training and updates on recent developments. All solicitors are professionally required to participate in CPD. • The Council's legal team is adequately resourced and qualified to advise on statutory obligations. • Professionally / appropriately qualified officers are employed in all sections of the Council, with training needs identified under the appraisal system. These officers advise the Council regarding its statutory obligations. • The Council has a formal Constitution including a delegation scheme in place which helps ensure that all decisions are taken by authorised routes.	• Accessible record of statutory obligations (e.g. central registry or legal library, intranet)
3. Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used	• The Council ensures that appropriately qualified and experienced officers are in place for all key jobs. Their roles and responsibilities are assessed against up to date and relevant job descriptions and person specifications. Performance is evaluated on an on going basis by the Appraisal process, by 1 to 1's and by the monitoring of complaints received by the Council. • All professional sections of the Council employ appropriately qualified staff who are encouraged to take responsibility for their own professional development by CPD. Staff are encouraged to attend appropriate training courses /peer networks and performance is assessed on an on going basis. Appropriate new legislation, government guidance etc, is cascaded through the organisation. • There is an agreed mandatory Corporate Induction programme for new starters. Where the interview process has identified any gaps against the Person Specification these are addressed by post entry training. • SAMT are responsible for maintaining an overview of reports which are taken to Executive/Council. All senior officers receive appropriate awareness and training sessions to enable them to manage their Directorate and any corporate responsibilities in an appropriate fashion. • Officers are aware of the requirement to take appropriate reports to Executive/Council and regulatory committees, and to ensure that the Council continues to address all statutory requirements. The Council facilitates and encourages	• Review of established processes in place • Appointment of suitably qualified and experienced employees, selected against accurate and specific job descriptions and person specifications • Evidence of effective arrangements for internal and external communication (e.g. by review of communication of recent legislation to relevant officers and members) • Appropriate induction training has been given to specific post holders • Awareness training tailored to job profiles has been provided • Inspection of reports to members on implications of new legislation • Evidence that assurance has been given to Chief Executive (or equivalent) that all relevant legislative changes have been reported and addressed

	attendance at training events, at peer group meetings, and an outward looking culture which helps promote compliancewith best practice. The more significant national developments are covered at events such as Members /Officer training sessions and by staff bulletins. • The Council's legal services team undertakes CPD and subscribes to relevant publications, etc to ensure that it remains up to date with key legislative changes. • On the basis of the available evidence neither the Governance Working Party, SAMT, or the Monitoring Officer are aware of any evidence that there has been a failure to report and / or address legislative changes / requirements.	
4. Effective action is taken where areas of non-compliance are found in either mechanism or legislation	• All major reports from External Audit (Annual Audit Letter, Report to those Charged with Governance ISA 260) or Internal Audit are reported to an appropriate Committee (including Audit Committee). A progress report concerning Key Issues of Financial Governance is reported to every meeting of Audit Committee. • The Council has in place a well developed Strategic Risk Register supported by Service Risk Registers. • The Council has in place a complaints procedure which analyses all complaints, and documents actions taken. These are reported to both SAMT and Executive on a quarterly basis. Our response to Ombudsman complaints is of a high standard. Where complaints taken to external organisations – such as the Ombudsman are found to be valid the outcome is reported appropriately. This may include Executive/Council and/or the Council's Standards Committee. • The Council has in place a structured process to ensure compliance with both Freedom of Information and Data Protection requirements. Performance against target response times is collected and reported to Executive as part of the Council's Performance Management arrangements.	• Review of evidence to demonstrate that action has been taken to overcome identified areas of non-compliance, for example: o Internal /external audit reports to audit committee or equivalent; o Monitoring reports on progress on delivering action plans in response to identified legal/statutory risks in risk register (e.g. on implementation of Freedom of Information Act 2000) o Evidence of corrective action being taken in response to upheld complaints against the authority

Step 2: In support of Objective 1 – Mechanism in place to establish organisational objectives[5]		
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
1. Consultation with stakeholders on priorities and objectives	• The Council has given careful consideration to external / statistical data concerning the District and this has informed the development of our Corporate Plan and Corporate aims. • A range of Consultation is used to develop / agree the Corporate Plan, the MTFP / Service Plans and all the supporting strategies. The council has suitably qualified and experienced staff in place to undertake consultation effectively.	• Results from internal and/or external consultation exercises have been analysed and published
2. The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation).	• Extensive consultation is undertaken around the Corporate Plan in order to ensure that it reflects local priorities and perceptions. Local priorities are appropriately balanced against the national agenda, statutory requirements, and the performance framework. These help ensure a reasonable balance between statutory obligations, national policies and local priorities. • The Council's priorities and objectives are informed by ongoing strategic analysis of the needs of the District. • The Council's main strategic partnerships are the Strategic Alliance with North East Derbyshire, the Sheffield and Notts – Derbyshire LEPs, the Joint Board for Shared Services, and the range of LSP partners. The Council is a member of the Sheffield City Region Combined Authority. In all cases there is a clear link between these partnerships and the Council's Strategic and Operational priorities.	• Authority's approved and published strategic plan takes account of all consultation and local and national priorities • Priorities and objectives in strategic partnerships are aligned with corporate priorities and objectives
3. Priorities and objectives are aligned to principal statutory obligations and relate to available funding	• The Corporate Plan is linked to service plans and to the MTFP through the annual Service and Budget planning process. The interaction with Service Plans provides a further opportunity to ensure that statutory and contractual obligations are reflected in the Plan. • The Council has agreed and is in the process of further developing a Growth Strategy in order to ensure that funding levels are optimised. • The MTFP incorporates details of all activities which are to be funded during the year and the income streams / contributions required to fund these are therefore factored into the budget. • The MTFP is effectively linked to and integrated with both the	• Corporate priorities and objectives are clearly set out in the strategic plan • Strategic plan takes account of annual budget and medium term financial plan • Financial plans take account of strategic partnership contributions and income streams

[5] In the police service it is assumed that the Authority's corporate objectives will subsume those of the Force.

		Corporate and related Plans. The Council operates a 'balanced scorecard' approach to financial, performance and risk management. • The MTFP is explicitly intended to ensure that proposed activities, or the continuation of existing services is affordable within the Council's level of income over the period of the MTFP.	
4.	Objectives are reflected in departmental plans and are clearly matched with associated budgets	• There are strong links between Corporate and service plans, and the Council has made considerable efforts to ensure that the 'Golden Thread' effectively links the various strands together. • Service Plans which set out agreed corporate Performance Targets, and any proposed service developments taken to Committee are considered against Corporate objectives. • Achievements against the previous year's Service Plans are required to be reviewed as part of the process of developing the Plan for the year ahead. Appraisals also evaluate progress against objectives at the level of individual employees. Formal Review is provided by way of the Annual Report, and by the suite of Quarterly Performance Reports considered by Executive.	• Clear terms of reference are set for the preparation of departmental and/or service plans • Departmental and/or service plans clearly reflect corporate objectives and match approved funding • Annual reports are produced on the outcome of departmental and/or service plans
5.	The authority's objectives are clearly communicated to staff and to all stakeholders, including partners.	• The Council has a clear communication strategy with a dedicated communications officer. Communication mechanisms include the Civic Newspaper "In Touch" which is distributed to all residents 3 times a year, by the Website, by key documents available at public access points, and by promoting coverage in our local press. • Communications to staff include Roadshows, the intranet, publicity material in the main workplaces, the Chief Executive's briefing etc. These are discussed at all team meetings, which are also responsible for reviewing Service Plans, and performance. The Council has an established Performance Management Culture. • In developing our objectives or priorities clear consideration is given to the views of the public as expressed in the Citizens Panel, Youth Panel, Tenants Panel and in other Focus Groups which meet during the course of the year. Service and Budget Plans have been discussed with the commercial sector, with our LSP, and with a variety of other agencies such as the PCT, DCC and neighbouring authorities. The Council engages actively with the full range of local, regional and national stakeholders who are aware of the Council's objectives, which they in turn have the opportunity to shape.	• A communication strategy in respect of the corporate objectives has been developed, approved and implemented • Evidence of consultation with stakeholders (e.g. public and internal surveys etc) and strategic partners on service provision against cost. • Documented meetings across departments to discuss key objectives in corporate and departmental and/or service plans • Corporate objectives and aims are set out in key documents (annual plans, etc) on the authority's website and intranet site

	• The Council has a range of key documents including a Community Strategy, a Corporate Plan, a Medium Term Financial Plan, an Annual Performance Report, all of which are publicised with details available on the Council's website.	
Step 3: In support of objective 1 – Effective corporate governance arrangements are embedded within the authority		
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
1. Code of Corporate Governance established	• The Council has in place a Corporate Governance framework based upon the CIPFA / SOLACE model. • The Council is proactive in making details of the Code available to both officers and members, with a copy available on the Council's website. • The Code is reviewed and refreshed on an annual basis.	• A Code of Corporate Governance in line with the CIPFA/SOLACE guidance relevant to the type of authority has been adopted by the authority. • A communication strategy in relation to the Code has been developed, approved and implemented
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
2. Review and monitoring arrangements in place	• The Council is committed to an ongoing review / update of its Corporate Governance arrangements. • Ethical Standards are overseen by the Standards Committee, working alongside the Audit Committee. • The Chairman of Standards Committee reports annually to Council on the work of the Council. • The Annual Governance Statement has been prepared on an annual basis since 2007/08, which is when the requirement to prepare the Statement came into effect. • Appropriate action is taken on all internal / external audit reports with Audit Committee actively monitoring the position. • Significant identified weaknesses are managed by Action Plan's eg Key Issues of Financial Governance Action Plan.	• The Code itself incorporates a review date and/or a system for continuous update in response to changed requirements • There are clear arrangements for continuously monitoring compliance with the Code e.g. reports on compliance are regularly submitted to the committee charged with corporate governance responsibility • An annual report on compliance with the Code of Corporate Governance is prepared and submitted to members (i.e. the Annual Governance Statement) • Internal/external audit reports on adequacy of corporate governance arrangements • An action plan is prepared to address any significant identified weaknesses in complying with the Code and is continuously monitored by the authority or committee

			charged with corporate governance responsibility (i.e. the AGS action plan)
3.	Committee charged with governance responsibilities	• The main Committee is the Standards Committee which meets on a regular basis. Its terms of reference include all code of conduct issues including training and determination of cases plus overseeing the whistle blowing policy. It also makes recommendations concerning the Constitution to Council. The Audit Committee looks at a range of parallel issues with its primary focus being on financial governance. • The Constitution is reviewed on an on-going basis to ensure that it continues to be in line with recognised good practice. • Agenda's demonstrate that appropriate items were taken to the relevant committees, while the minutes record the discussion and debate which has taken place.	• Responsibility for overseeing corporate governance has been formally delegated to an appropriate committee • Committee terms of reference clearly demonstrating responsibility for corporate governance issues have been approved by the authority • Terms of reference are sufficiently comprehensive to ensure that all appropriate aspects of corporate governance are covered • Agendas and minutes from the committee charged with corporate governance responsibility indicate that the responsibility is being discharged adequately in accordance with terms of reference
4.	Governance training provided to key officers and all members	• There is a mandatory corporate induction programme which provides basic training / awareness to all employees. A comprehensive induction Programme is arranged following District Council elections, the Council has a Member Development Programme overseen by the Member Development Working Group which oversees it. • The authority actively publicises and promotes both Members and Officers Codes of Conduct. • Awareness amongst both Members and officers is developed by training, by the procedure at meetings, by review and update of the employee or member handbooks which are circulated to all, and by use of the intranet site.	• Induction training for key new officers and all new members incorporate suitable coverage on corporate governance issues according to responsibilities • Ongoing awareness training is provided as appropriate to key staff and all members to ensure that changes in the Code are made known within the authority
5.	Staff, public and other stakeholder awareness of corporate governance	• See 4 (directly above) in relation to Members and Officers. In relation to the Public and other Stakeholders there are significant amounts of information on the web site, while formal contracts, partnerships arrangements, etc make clear the standards which the Council is seeking to maintain.	• There is a general staff awareness programme • The Code has been published and is accessible to all staff, the public and other stakeholders

Step 4: In support of objective 1 – Performance management arrangements are in place		
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
1. Comprehensive and effective performance management systems operate routinely	• The Performance Management Framework is outlined in the Council's Annual Report. Outcomes are formally monitored by quarterly reports. • Where external reports have been produced these normally lead to the development of an Action Plan aimed at improvement of the service. • Where either external or internal audit identify a significant performance issue, this will be reported to Members both on completion of the review, and if appropriate included within the Key Issues of Financial Governance Reports which appear on all Audit Committee meetings. This tracks progress over time in resolving significant governance issues. • Both the quarterly performance reports and Annual Report formally publicise performance targets and the outcomes against these. All performance targets have a named responsible officer. • Shared Services and Partnership arrangements produce their own range of performance information, which is reported to their respective boards. These reports are then presented either in full or in summarised versions to the Executive. Budget setting, monitoring and outturn reports all incorporate sections concerning Partnership performance.	• There is a clearly defined performance management framework that identifies: o all sources of performance measures; o who is responsible for achieving each performance measure; o who is responsible for collating the data for each one; o who determines and approves the performance measures; o who receives reports on performance and how often; o how data quality is assured; o how performance data is captured and its integrity maintained; o how poor performance is addressed; o how performance is driven upwards over time • Reports resulting from internal or external reviews of performance management • Year-on-year comparison of achievement against performance targets (e.g. in annual reports) • Best value reviews, including benchmarking results • Departmental and/or service benchmarking results • Annual reports issued by, or in relation to, strategic partnerships
2. Key performance indicators are established and monitored	• The Council manages and reports against all agreed KPI's including quarterly reports to Executive. These are included in Service Plans, and are reflected in appraisals relating to individual staff. • Quarterly Performance Reports on Corporate Plan targets are	• Appropriate key performance indicators (KPIs) have been established and approved for each service element and are included in departmental and service

	taken to Executive. Where appropriate key indicators, or those which are proving challenging are actively managed by SAMT on a more regular basis. • The Performance Framework has developed out of a range of national, former national and locally agreed indicators. These are agreed by Members, SAMT and the staff responsible for delivery. • Continuous improvement is secured by a variety of means most notably by the Council's Performance Culture which promotes improvement throughout the organisation. Targets are agreed against the background of this culture which seeks to set targets that are challenging but achievable. This culture incorporates a range of challenge mechanisms including Senior Officer and Member review based upon quarterly meetings of key stakeholders.	business/annual plans • KPIs have been developed and are monitored in respect of key partnerships • A robust monitoring system has been approved and implemented • There are regular reports on progress on delivering approved KPIs • There is an approved mechanism for reviewing the continuing suitability of KPIs and for securing continuous improvement
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
3. The authority knows how well it is performing against its planned outcomes	• Quarterly reports to Executive in respect of Corporate Plan targets, budget monitoring and Risk, which then as appropriate go on to Scrutiny Committees. Performance issues have been subject to more detailed review as part of the work around shared services. The Council's Scrutiny process receives regular monitoring reports on the Council's corporate plan performance. • All 'marginal' Internal Audit reports are considered by the Audit Committee, with all external audit reports going to that Committee or Council. • Achievement of Performance targets features both within the Strategic and the Service Risk Registers to ensure that risk around performance is effectively managed. • Budget monitoring reports are taken to Executive on a regular basis, and then on to the Audit and Budget Scrutiny Committee. • The Council has previously used benchmarking figures provided by the Audit Commission and RIEP (Tribal) to review its services. The Council makes use of national comparative statistics as appropriate and are members of APSE. Officers have well developed local networks of peer officers (eg DFOA's), and work in respect of shared services with North East Derbyshire in particular has provided insight into the performance of the services concerned. • The requirement to operate against a background on ongoing	• Regular reports are presented to members on the delivery of national, authority, departmental and partnership performance targets • Internal and external auditor's reports on key performance indicators • Key performance indicator risk scorecards • Use of Resources (PURE for police service) reviews and progress reviews against the action plans. • Monitoring reports on the achievement of local performance targets in the Local Policing Plan • Best Value Performance Indicators • Internal performance indicators • Regular budget monitoring reports (capital and revenue, current year and medium-term) • Voluntary benchmarking exercises with peer groups • National comparative performance measures against comparable

	reductions in the level of resources means that services are under continual review to balance service levels / outcome against costs. As part of this process the Council adopted a formal transformation agenda during 2013/14 aimed at securing VFM through transformational change.	authorities (e.g. QuAnTa data on comparative policing performance against 'most similar force') • Balanced score card • EFQM model adopted • External audit/agency reports on performance (e.g. compliance with National Crime Recording Standard, HMIC reports, Police Standards Unit reports)
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
4. Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes	• The Council's Performance Management System is based upon comparisons of internal trends over time, and by comparison with recognised benchmarks. Targets are agreed and performance is measured and reported against all of these comparisons. • Performance is reported quarterly to Executive and then on to Scrutiny. Reports include details of actions being taken and timescales for addressing any performance issues. • The Council's Performance Culture generally seeks to set appropriate targets in the light of service demands and the resources available. As a general rule over the last 4 years the Council has sought to maintain current levels of performance which given the reduced level of resources available to deliver services represents a challenging target.	• Monitoring reports are regularly presented to the appropriate committee • The reports include detailed performance results, both absolute and relative to peer authorities, a clear indication of below target, on target and at, or above, target results, highlighting areas where corrective action is necessary • Committee reports on below par performance include 'SMART' action plans to improve performance • Performance targets in subsequent corporate and departmental and/or service business plans are revised in the light of actual performance • Continuous improvement is strived for by increasing the difficulty of performance targets when they have been met over a period (e.g. movements on KPI results)
5. Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes (continued)	• Performance targets are evaluated against local trends, peer authorities and national trends before inclusion into the service planning process. Key targets are established within Service Plans. • Performance is evaluated against targets by quarterly reports.	• Performance trends are established and reported upon over the medium term and are fed into the corporate and departmental and/or service planning process and into the planning process of key partnerships • Performance targets are adjusted in

		the light of the performances of peer authorities
6. The authority continuously improves its performance management	• Performance Targets are reviewed on a regular basis against both generally accepted levels of performance and against local trends. • The Council has an embedded performance management system which it seeks to improve on an incremental basis. • 2013/14 was the first full year of the qtly performance meeting arrangements and these are now embedded in the Council's managerial arrangements. • Services currently covered by the Joint Board have clear financial and performance criteria against which progress is judged.	• The performance management systems are regularly reviewed and updated to take account of changes in organisational structure, new performance measurement frameworks (i.e. new Government initiatives, new internal performance measures etc) and other factors • The performance management arrangements are revised in line with external or internal review of the arrangements • Performance management arrangements are reviewed to assimilate new techniques and/or technology e.g. developments in performance management information systems • Performance management arrangements are developed and monitored in relation to key partnerships

Step 1 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
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 requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
1. Develop and promote the authority's purpose and vision	The local Code is based upon a clear Community Focus which sets out the links between community engagement, service planning and delivery, and the maintenance of appropriate standards of conduct.	The Code is used as a basis for: corporate and service planning shaping the community strategy local area or performance agreements
2. Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	The Council reviews the authority's vision on an ongoing basis.	
3. Ensure that partnerships are underpinned by a common vision of	The Council has a proactive partnership team who ensure that the Council's values and those of key	The Code is made available to key partnerships

their work that is understood and agreed by all parties	partners are shared.	
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
4. Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance (not police service)	The Council publishes Annual Accounts and an Annual Performance Report. These documents and a range of supporting evidence are available on the website. In addition a Council 'newspaper' In Touch is circulated to all residents three times a year. The Corporate Plan is supported by detailed Service Plans which establish the Council's objectives and Performance targets.	Annual financial statements Annual business plan Formal annual report
5. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	The Authority's Strategies and Plan's all contain performance targets and action plans that provide a SMART framework against which progress can be evaluated. In particular the Performance Framework is designed to ensure that key indicators of progress are monitored and reported on at least on a quarterly basis. The information obtained from monitoring against internal targets is supported by information gathered from residents including compliments and complaints and other stakeholders from a variety of sources in order to ensure that we have a rounded picture of the public's view of the services provided.	This information is reflected in the authority's: Corporate plan Medium term strategy Resourcing plan in order to ensure improvement
6. Put in place effective arrangements to identify and deal with failure in service delivery	Section 5 above refers. In addition the council has in place a number of methods for measuring resident / stakeholder satisfaction. The complaints procedure which monitors issues of concern for service users, and results in reports to both SAMT and Executive enabling informed corrective action to be taken.	Satisfaction surveys Complaints procedure
7. 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.	• Value for Money criteria are effectively established by the Council's performance targets, which are reviewed and established on an Annual basis and set out in Service Plans. These are reviewed on an on going basis including quarterly reports to Members. • The Council seeks to reduce both its own carbon footprint and that of the wider district.	The results are reflected in authority's performance plans and in reviewing the work of the authority Publish environmental strategy and policy, incorporating monitoring and reporting arrangements

Step 2 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
Members and officers working together to achieve a common purpose with clearly defined functions and roles		
The local code should reflect the requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that maybe used to demonstrate compliance**
1. 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 (this is not relevant for the police service)	This is set out within the Council's Constitution. There are also Member JDs setting out the role which are included within the Constitution. All Executive and Committee meetings are formally minuted with minutes formally approved and publicly available.	Constitution (where appropriate) Record of decisions and supporting materials
2. Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers	Again this is set out in the Constitution (including in Members' JDs), and is further supported by the Member and Officer protocols and for officers by Job Descriptions and contractual terms.	Constitution (where appropriate) Conditions of employment Member/officer protocol
3. 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	The Constitution incorporates a scheme of delegation, and sets out the roles, powers and limits upon the power of individual officers and Members. The Constitution reflects best practice, including an appropriate approach to the Council's statutory duties and powers. The Delegation Scheme is currently being reviewed and is expected to be submitted to Council in May or June.	Scheme of delegation Statutory provisions
4. Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management[6]	The Chief Executive is the Head of Paid Service, and that role together with the associated job description make him the responsible officer for the effective discharge of the Council's operational management. In discharging these duties the Chief Executive is supported by the Council's wider managerial arrangements, and by the Performance Management systems which are in place.	Job descriptions/specification Performance management system
5. Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that	Regular meetings are held between the leader and the Chief Executive. These are part of a broader framework of appraising the performance of the Chief Executive.	New chief executive and leader pairing consider how best to establish and maintain effective communication

[6] In the police service the Chief Executive or equivalent is responsible for the operational management of the Police Authority; the Chief Constable is responsible for the operational management of the Force.

a shared understanding of roles and objectives is maintained[7]		
6. Make a senior officer (usually the section 151 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	The Director of Corporate Resources (Executive Director – Operations) has been designated as the Council's S151 officer responsible for the sound Financial Administration of the authority. The duties are incorporated within the job description of the Director of Corporate Resources.	Section 151 responsibilities S112/114 Local Gov't Finance Act 1988 Statutory provision Statutory reports Budget documentation Job description/specification
The local code should reflect the requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
7. Make a senior officer (other than the Responsible Financial Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with	The AD Governance is the Council's Monitoring Officer, with the Principal Solicitor and the Governance Manager as Deputy Monitoring Officers. Roles and responsibilities are set out in the Job description / Person specification.	Monitoring officer provisions Statutory provision Job description/specification
8. Develop protocols to ensure effective communication between members and officers in their respective roles	Protocols are in place setting out the roles and responsibilities of Members and Officers in relation to communications (these are in the Constitution). These Protocols are supported by a range of working arrangements which help to ensure that the underlying relationships are constructive, and support the effective working and development of the Council	Member/officer protocol
9. Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel (if applicable)	Under the move to a Strategic Alliance the Council has adopted the pay scales of North East Derbyshire as the appropriate pay scale for senior officers. These pay scales were determined by a panel in the light of external advice. Details are available on the website. There is an annual report on pay and conditions which is reported to Council. The Members allowances / remuneration scheme is considered through appropriate good practice processes and procedures, and is publicised on the website. Members allowances were reviewed in 2011 (further review in 2014) by an	Pay and conditions policies and practices Member allowances/remuneration scheme

[7] The Authority Chair, Chief Executive, Treasurer and Chief Constable in the police service.

	independent panel, and full details are set out on the Council's website and in the Constitution.	
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
10. Ensure that effective mechanisms exist to monitor service delivery	The Council has in place a Performance Management Framework, together with a Compliments, Comments and Complaints procedure which enable the effective monitoring of service delivery. Service Delivery is also monitored through service plans and quarterly performance meetings	
11. 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	The development of the Council's Corporate Plan is an on going process of consultation/debate. Key consultees include an internal audience of Members, Officers and Employees. External consultees include our LSP, Parish Councils, and the full range of other statutory agencies. Resident's views are sought through local Members, direct consultation with local residents, and via Complaints and other communication with the Council and its officers (in particular contact between service providers and the public.	Vision, strategy, corporate plans, budgets, performance plan/regime Communication/consultation strategies
12. 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	The Council has a Partnership Team in place who are responsible for the Council's input into the LSP and provide support for our other partnership arrangements.	Protocols for partnership working. For each partnership there is: • a clear statement of the partnership principles and objectives • clarity of each partner's role within the partnership • definition of roles of partnership board members • line management responsibilities for staff who support the partnership • a statement of funding sources for joint projects and clear accountability for proper financial administration • a protocol for dispute resolution within the partnership (NB from special report ` Local Partnerships and Citizen Redress by LGO) Code of Corporate Governance is made available to all key partner organisations *(See also appendix B1 & B2 of this rough guide – Partnerships suggested approach and determination)*
13. When working in partnership: - ensure that there is clarity about the legal status of the partnership	See above. For any significant Partnerships the Council gives appropriate consideration to these issues before entering into the Partnership. One of the criteria which	Partnership agreement sets out legal status and authority to make binding decisions and/or financial commitments

- 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.	would be considered before entering into a Partnership would be its consistency with the principles of accountability and Governance which the Council applies to its own internal arrangements.	Key partnership agreements are in line with codes of corporate governance

Step 3 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour		
The local code should reflect the requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
1. Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	The organisation's Constitution and its values clearly establish an overriding requirement that our actions are characterised by openness and accountability. The Monitoring Officer / Governance Team/ Legal Team decides which reports meet the statutory criteria before they are deemed to be exempt from the requirement to be discussed openly / or be treated as confidential. All decisions are minuted, and reports are available on line, or alternatively may be obtained as a hard copy.	Reports are compliant with statute re what can be deemed to be confidential Decisions are made openly by the authority
2. Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	The Constitution, the Members / Officers Codes of Conduct, the Whistleblowing Policy, and a variety of other mechanisms all work together to provide an operational framework, which sets out clear expectations and standards regarding what constitutes acceptable behaviour. All policies are effectively communicated to Members, Officers and employees including availability on the website.	Members/officers code of conduct performance management system Performance appraisal Complaints procedures Antifraud and corruption policy Member/officer protocols Protocols and codes shared with key partners
3. 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	The Constitution and Codes of Conduct all set out clear expectations and requirements of Members and Officers. Where an interest exists it is made clear that individuals (whether Members or employees) have a responsibility to declare this, and that they must not participate in any way that might influence the decision making process	Standing orders Codes of conduct Financial regulations "Whistle-blowing" or equivalent confidential reporting facility

ensure that they continue to operate in practice[8]	where there is a conflict of interest. While the key emphasis is rightly upon informed openness by individuals, the Council has a well publicised Whistle Blowing policy enabling others to raise potential conflicts of interest for investigation. The Council has a range of equalities training and policies in place which should mitigate against prejudice in decision making	
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
4. Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	See the Codes of Conduct, but also the statement of values set out in all main policy documents which give a clear commitment to Openness, Honesty and Integrity.	Codes of conduct
5. Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	Constitution and Codes of Conduct. Appropriate awareness raising training is provided to Members / Officers, and both are reminded of the Code of Conduct at the outset of all Council meetings.	Codes of conduct
6. Develop and maintain an effective standards committee	A Standards Committee is in place which has appropriate terms of reference, membership and which meets on a regular basis. The Committee's minutes are reported to Council, and under the Constitution it has a direct right of report to Council. The Chairman of the Standards Committee reports annually to the Council on the work of the Committee.	Terms of reference Regular reporting to the authority
7. Use the organisations shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	The Council has clear shared values set out in the Corporate Plan. All reports to Committee are agreed by the Senior Alliance Management Team, and they are responsible for ensuring that the reports are in line with the Council's values. Reports are then agreed by Members who determine the Council's values. Members are given appropriate training to enable to establish and uphold appropriate values.	Decision making practices, including QA of reports to committees and authority
8. 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	The Council's representatives on Partnerships are expected to reflect and champion the Council's values within those partnerships, and the Partnerships' constitution must be compatible with the Council's	Protocols for partnership working Code of corporate governance made available to all key partners

demonstrated by partners' behaviour both individually and collectively.	values for the Council to be involved. The Corporate Governance framework is publicised and available on the Website.	

Step 4 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
The local code should reflect the requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
1. Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible. Note: The police service does not have a requirement to have a scrutiny committee as it does not operate on an Executive basis. It does, however, require a scrutiny function; this is largely the role of the Authority.	The functioning of Scrutiny is well established and operating effectively supported by a separate team of officers. These arrangements and the effective engagement of other Members and Officers of the Council help ensure that Scrutiny's analysis and recommendation are supported by robust evidence, data and critical analysis.	Scrutiny is supported by robust evidence and data analysis
2. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	Decision making protocols and powers are set out in the Council's Constitution. These also establish what record of the decision needs to be maintained. For Executive reports the QA process is the Corporate Management Team (SAMT), while for Delegated Decisions the originating officer and the responsible Director need to ensure that the decision has been appropriately taken, and that appropriate advice has been taken and consultation made. These reports need to be agreed with the Monitoring and the S151 Officer. All decision making Committees are appropriately minuted setting out the criteria, rationale and considerations on which decisions were based.	Decision making protocols record of decisions and supporting materials Reports on which decisions are to be made go through a robust QA process
3. 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	There are Member and Officer Codes of Conduct which requires all interests to be declared, and to ensure that the individual involved does not play a role in the decision making process where there is a potential conflict of interest. All gifts and hospitality are required to be officially	Members Code of Conduct Register of gifts and hospitality Financial regulations Standing orders

	recorded, and the Council's Constitution includes Financial Regulations and Contract Procedure Rules which establish what constitutes acceptable behaviour in respect of the letting of contracts. All members and senior officers are required to complete a Related Party Transaction declaration at the end of each financial year.	
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
4. Develop and maintain an effective audit committee (or equivalent) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee	An Audit Committee is well established. Its terms of reference are in line with CIPFA / SOLACE requirements. Appropriate training is given to those Members on the Committee. The Committee has self assessed its performance against CIPFA / SOLACE benchmarks.	Terms of reference Membership Training for committee members
5. Put in place effective transparent and accessible arrangements for dealing with complaints	The Council has a written Complaints procedure in place, which is monitored and reported to Senior Alliance Management Team and Executive on a regular basis. The Council endeavours to ensure that service users are made aware of their rights under the complaints procedure, and where appropriate are able to refer issues or complaints to external adjudicators.	Complaints procedure Communication of ways of referring complaints to external bodies e.g. Ombudsman, IPCC
6. Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.	A comprehensive induction process is provided after the District Council elections, and this is supported by on going training / awareness programmes. Members are able to agree Personal Development Plans which identify training needs, and there is a comprehensive Member Development Programme. All reports to Executive / Council are cleared by the Council's SAMT. Reports to Scrutiny and other Committees are cleared by an appropriate Senior Officer of the Council.	Members' induction scheme Training for committee chairs Robust QA process for all reports
7. 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	All reports include a section detailing legal and financial implications. These need to be agreed by SAMT, the Monitoring Officer and the CFO who take a view on the adequacy of the professional advice that has been provided. Appropriately qualified officers are in attendance at all meetings. All reports are processed and despatched in accordance with an agreed timetable which reflects the Constitution and legislative requirements unless there are exceptional circumstances which require a late report to be considered.	Record of decision making and supporting materials Robust QA process for all reports Protocol re reporting deadlines
8. Ensure that risk management is embedded into the culture of the organisation , with members and managers at all levels recognising that	The Council has a well-established Risk Management Framework, and a range of training arrangements. Risk Management has a high profile within the authority, with job descriptions reflecting the requirements to manage risk,	Risk management strategy/protocol Financial standards and regulations Job descriptions reflect risk management responsibilities

risk management is part of their job	all formal reports having a Risk Management section.	Reports leading to key decisions and/or requiring major resources include risk assessment
9. Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority have access (In the police service "staff" includes the Chief Constable and those under the direction and control of the Chief Constable)	The Council has a well established Whistle Blowing Policy available on the intranet. It is covered in the Induction arrangements and is publicised on a regular basis. The Policy has been effectively utilised by officers demonstrating an awareness of and a confidence in it.	Whistle-blowing policy Publication of policy
10. Actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities	All officers are trained to undertake their duties as set out in their Job Description which includes an awareness of the prevailing statutory framework. This is supported by the Council's Constitution, and by the Monitoring Officer, Legal Team, Internal Audit and other challenge arrangements which would help to identify any activity which falls outside of the Council's powers. For new initiatives the QA process for reports should ensure that activities outside our powers are identified prior to implementation.	Constitution (where appropriate) Monitoring officer provisions Statutory provision robust QA process for all reports
11. 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	See above	Robust QA process for all reports
12. 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 procedures and decision making processes.	See above	Monitoring officer provisions Job description/specification Statutory provision Robust QA process for all reports
Step 5 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
Developing the capacity and capability of members and officers to be effective		
The local code should reflect the requirements for local authorities to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
1. Provide induction programmes tailored to individual needs and opportunities	HR has developed a standard Corporate Induction process for all new employees, while at a service level Induction is	Training and development plan Induction programme

for members and officers to update their knowledge on a regular basis	required to cover any service specific induction issues. The appraisal process identifies any training/development needs, and develops a plan to deliver these which is monitored on an on going basis. The Person Specification should ensure that only appropriately qualified individuals are appointed in the first place. A range of Corporate awareness training is also provided to Managers by means of training sessions, briefings and other mechanisms. For Member an Induction process is provided after District Council elections. A range of corporate training / awareness is undertaken on an on going basis.	Update courses/information
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
2. 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 organisation	The job description / person specification is intended to ensure that only appropriately qualified and experienced individuals are short listed for these positions. The appointments process where appropriate ensures that a competitive process is in place, to assess individuals in order to ensure that they have the appropriate range of personal attributes and skills. The Council's Statutory Officers are professionally qualified, appropriately experienced and are aware of their professional responsibilities regarding the management of the Council, and of the powers which are available to them to ensure that they have the appropriate level of resources to enable them to discharge those responsibilities effectively. Management Team takes the key decisions regarding which reports should go before Committee includes the statutory officers of the Council, and the role of these officers is well understood across the organisation. Furthermore the process for agreeing reports, for taking major decisions etc is designed so that these officers are actively involved in these processes to ensure that the organisation is appropriately managed.	Job description/personal specifications Appointment process Membership of top management team
3. Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Employees receive an appraisal supplemented by 1 to 1's which incorporates an assessment of performance and training requirements. These are developed into a corporate training plan. Members are provided with appropriate training through a Member Development Programme with individual Members having the option of a training needs appraisal.	Appraisal Training development plan
4. Develop skills on a continuing basis to improve performance including the	See above.	Training and development plan reflects requirements of a modern councillor or member

ability to scrutinise and challenge and to recognise when outside expert advice is needed		including: • the ability to scrutinise and challenge • the ability to recognise when outside advice is required • advice on how to act as an ambassador for the community • leadership and influencing skills
5. Ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs	The Council's Corporate Plan, related Strategies and Plan's set out clear actions and targets against which progress can be monitored. In addition there are a range of performance targets covering all relevant services, which are monitored on a quarterly basis. The Council also encourages external review where appropriate eg Customer Services Excellence assessment.	Performance management system
6. 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	The Council has developed a range of mechanisms for consultation. We have a range of forums for engaging with our citizens including Public Meetings, LSP, Tenants Panel, Youth Council and Equality Panel. In addition to consultation the Council also actively encourages engagement by members of the Community in the Council's activities. The Council has secured Equality Standard at level 3 which demonstrates the Council's commitment and the operation of effective arrangements to engage all sections of the Community. Although we are no longer externally assessed we continue to promote appropriate standards internally.	Strategic partnership framework stakeholders forums' terms of reference Area forums' roles and responsibilities Residents panel structure Targeted advertising
7. Ensure that career structures are in place for members and officers to encourage participation and development	The Council's Structures with a well developed Executive and Scrutiny system offer a good range of opportunities for all Members to participate at a range of levels in the Council's managerial and Governance arrangements.	Succession planning
Step 6 – In support of Objective 1 - Apply the Six CIPFA/SOLACE Core Principles		
Engaging with local people and other stakeholders to ensure robust public accountability		
The local code should reflect the requirements to:	**Position at BDC**	**Source documents/good practice/other means that may be used to demonstrate compliance**
1. Make clear to themselves, all staff and the community, to whom they are accountable and for what	The Council's Strategic Framework sets out clear links between the Council and the Community, and sets out the requirement of the Council to be accountable, to display integrity, openness and inclusivity in our activity.	Community strategy Engagement strategy

2. Consider those stakeholder bodies to whom the organisation is accountable and assess the effectiveness of the relationships and any changes required	The Corporate Plan, the MTFP and Service Plans give structured consideration to the views of the Council's key stakeholders.	
3. Produce an annual report on scrutiny function activity (where relevant)	An annual report is provided to full Council concerning the performance of the Scrutiny function.	Annual report
4. Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively	The Council has a clear Communications / Channel Strategy in place utilising the Website, the In House Newspaper which is distributed to all residents, publicity material at reception, and articles in the local newspaper. The Citizens Panel is used to secure feedback on the effectiveness of the various approaches utilised.	Community strategy Engagement strategy Processes for dealing with competing demands within the community
5. Hold meetings in public unless there are good reasons for confidentiality.	All meetings are held in public where possible, and reports and decisions are available on the internet or in hard copy upon request. All confidential items are agreed by the Monitoring Officer / Governance Team in order to ensure that they meet with the statutory definition of items which are confidential. Advance notice in accordance with legislative requirements is given of matters to be considered in exempt business.	Compliance with statute regarding the determination of confidential issues
6. Ensure 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	See Channel Strategy. The Council has in place a wide range of engagement mechanisms including public meetings Web based consultation, and engaging with difficult to reach groups including young people. This is supported by targeted surveys, questionnaires and focus groups. The Council previously achieved a level 3 Equality standard which demonstrates that the Council has appropriate procedures in place and has used these to achieve good outcomes in engaging all sections of our community.	Engagement strategy Communication strategy

Examples of assurance: (A)	Position at BDC : (B)	Type of Evidence suggested by FAN : (C)
7. On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	An Annual Performance Report is prepared which covers performance, finance and service issues. Annual Financial statements which cover the outturn position are provided within the Annual Statement of Accounts with more detailed reports being provided to Committee and made available on the Council's website. While the Service Plans are essentially forward looking documents the objectives and aspirations which they incorporate are based upon previous year's trends, and contain both details about and analysis of previous performance.	Annual report Annual financial statements Annual business plan
8. 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 the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	The Council's Constitution and its overall ethos as set out in the Corporate Plan make it clear that it aspires to be, and has mechanisms and processes in place which facilitate openness and transparency. Communication and Engagement plans have been developed in order to achieve these objectives.	Constitution (where applicable) Communication strategy Engagement strategy
9. Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	The Constitution and the Council Corporate Plan and supporting documentation and strategies incorporate a clear role for our employees in the development and delivery of our Plans. A formal consultation mechanism is in place in the form of meetings with the trade unions which involves Members, Senior Offices and Trade Union representatives. In addition all employees are involved in the Service Planning process, have team meetings, attend Staff Roadshows, and a variety of other forum exist for staff suggestions, etc.	Constitution (where appropriate) Consultation policy, identifying recognised staff representatives and the extent to which they are consulted and involved in decision making

Objective 2: Identify principal risks to achievement of objectives:

Step 1: In support of objective 2 – The authority has robust systems and processes in place for the identification and management of strategic and operational risk		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. There is a written strategy and policy in place for managing risk which:	• The Council has in place a Risk Strategy approved by Members. • An agreed Strategic Risk Register is in place. • The Strategy is communicated and disseminated by a	• Existence of approved strategy and policy document • Evidence of formal approval (e.g. management board/committee minutes)

• Has been formally approved at political and risk management board (or equivalent) level • Is reviewed on a regular basis • Has been communicated to all relevant staff • Includes partnership risks	number of approaches including training/ awareness sessions as part of the Performance Management Framework. • All Significant Partnerships and Major Projects have appropriate Risk Management arrangements in place.	• Evidence of formal review (e.g. management board/committee minutes, document version number and date) • Evidence of communication strategy, possibly covered in strategy document • Examples of dissemination e.g. induction, briefings, awareness sessions, policy and strategy published on intranet, strategic diagnostic questionnaire results • Partnership risk registers
2. The authority has implemented clear structures and processes for risk management which are successfully implemented and: • Management board and elected members see risk management as a priority and support it by personal interest and input • Decision making considers risk • A senior manager has been appointed to "champion" risk management • Roles and responsibilities for risk management have been defined • Risk management systems are subject to independent assessment • Risk management is considered in the annual business planning process • Risk management extends to partnership risks	• A Business Risk Group is in place. • The authority works with its insurers to evaluate current arrangements and to manage risk effectively. • Relevant job descriptions outline the responsibility for managing risk, and all Risk Register identify named responsible officers. • Service Plans incorporate sections on Risk which are owned by service managers and staff. • Internal Audit undertaken a regular review of Risk Management arrangements which judged controls to be satisfactory. • All reports include a risk assessment section, and the MTFP includes a financial risk management analysis which is used to inform the level of balances. • In line with all other new initiatives Partnership risks are evaluated as part of the decision whether or not to enter into a particular Partnership.	• Management board/committee minutes • Job descriptions of senior and operational managers and corporate risk manager • Internal audit reports and external audit comments on risk management system • Use of resources, CPA or PPAF review comments on risk management • Annual business plans • Link between internal audit and risk management functions is clearly defined in terms of reference of internal audit • Responsibility for risk management function, including partnership risk management, is set at appropriate senior level • Committee reports setting out options for change include an appropriate risk assessment, including the 'no change' option • The corporate business plan and financial plan assess risks as appropriate and in particular take account of new and emerging risks facing the authority • Partnership risks are assessed before agreements are signed
3. The authority has developed a corporate approach to the identification and evaluation of risk which is understood by all staff	• The Council has in place a Risk Management Strategy. • Awareness of these is developed by training / awareness sessions, and by building the requirement for effective risk management into a range of business critical Council procedures including all Committee Reports, Directorate Performance meetings and the Service Planning process.	• Systematic procedures for risk identification and evaluation have been agreed and published in a policy document and are consistently applied across all business units and partnerships • Examples of dissemination e.g. induction, briefings, awareness sessions, strategic diagnostic questionnaire results

Examples of assurance: (A)	Position at BDC : (B)	Type of Evidence suggested by FAN : (C)
4. The authority has well defined procedures for recording and reporting risk	• Strategic Risk Register developed in the light of Service and Partnership Risk Registers. • All Risk Registers are formally reviewed on a quarterly basis. • Quarterly reports to Executive and Audit Committee. • Internal Audit Programme based upon independent risk assessment of Head of Internal Audit. • Most Internal Audit issues are considered as part of the formal response to the Audit report recommendations. More significant issues are incorporated into Action Plans going forward. • In developing the Strategic Risk Register consideration is given to external and wider environmental risks.	• Evidenced by review of risk management strategy and policy • Examination of corporate and partnership risk registers • Key risk indicators have been determined and there is evidence of monitoring against these risks • Evidence of regular and frequent reporting of risk to political and management board level • Evidence of risk based auditing being carried out • Evidence of risks not properly addressed identified in internal audit reports etc being fed into the risk management process • Environmental scanning reports are fed into the risk management process so as to identify new and emerging risks

Examples of assurance: (A)	Position at BDC : (B)	Type of Evidence suggested by FAN : (C)
5. The authority has well-established and clear arrangements for financing risk	• Mitigation is applied to all risks until the point at which such mitigation is no longer cost effective. • The Council has an appropriately trained and experienced insurance officer and takes advice from its Insurer and from Independent Insurance Brokers in order to ensure that we comply with best practice and with legal requirements including regular meetings with our insurers. • The Council maintains an Insurance Fund. • The Woolf principles underpin the management of claims which are managed by an external agent. • The Council in conjunction with our Insurers takes steps to mitigate risk in those areas where claims evidence suggests an emerging issue.	• Evidence that the authority's policy for risk financing is regularly reviewed in the light of costs and alternative risk mitigation strategies • All legal requirements for insurance are met • Evidence that self-insurance provisions are subject to annual independent actuarial valuation and that contributions to the fund are adjusted accordingly • Insurance claims being managed in accordance with 'Woolf' principles • Evidence of monitoring the incidence of successful and unsuccessful claims and of feeding the results back into the policy for risk financing accordingly
6. The authority has developed a programme of risk management training for relevant staff	• The Council has developed an appropriate Awareness programme in relation to Risk Management for both staff and senior employees with responsibility for Risk. • Risk Management Training was until recently provided by the Council's Insurers as part of the wider contract. • Training requirements in respect of Risk are picked up in appraisals. • Job Descriptions, Person Specification includes coverage of Risk issues.	• Training programme for risk management • Training needs analysis (both specialist staff development and general awareness) • Regular newsletter or other means of communicating risk management issues to staff • Induction programme includes risk management • Appropriate responsibilities for risk management incorporated into job descriptions and appraisals
7. The corporate risk management board (or equivalent) adds value to the risk management process by: • Advising and supporting corporate management team on risk strategies • Identifying areas of overlapping risk • Driving new risk management initiatives • Communicating risk management and sharing good practice • Providing and reviewing risk management training	• The Council has a Corporate Business Risk Group in place. • All reports to Executive are first agreed through the Strategic Alliance Management Team. • Avoidable risks are identified up by way of both Insurance and Health and Safety statistics, and appropriate remedial action. The Council also receives and acts upon where appropriate evidence of Risk / H&S trends which are arising at other authorities. • Regular meetings are held with our Insurers/Insurance Brokers in order to identify any emerging trends.	• Corporate risk management board or equivalent terms of reference • Minutes of corporate risk management board • Reports to corporate management team • Low incidence of avoidable risk events occurring

• Regularly reviewing the risk register(s) • Coordinating the results for risk reporting		
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
8. A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice and: • Support decision making and policy formulation • Provides support in the risk identification and analysis process • Provides support in prioritising risk mitigation action • Provides advice and support in determining risk treatments • Inspires confidence in managers	• The Director of Corporate Resources (Executive Director – Operations) is the Corporate Risk Champion at officer level supported by the Business Risk Group. • The responsibilities of the Director are picked up in his appraisal, and attendance at appropriate training courses is required. • We employ external Insurance Consultants to act as advisors on Insurance issues, and work with our consultants and insurers in order to manage risk in line with best practice. • Regular meetings are held with our Insurers/Insurance brokers in order to identify any emerging trends.	• Job description of corporate risk officer • Key task matrix of corporate risk officer • Evidence of the corporate risk officer reporting to corporate management team on risk management issues • Evidence of training on current risk management topics / membership of appropriate organisations (e.g. ALARM) • Use of consultancy as appropriate
9. Managers are accountable for managing their risks	• Managers participate in the Strategic and Business Plan Risk Registers and are responsible for the Service Risk Registers. These are reviewed at Quarterly Directorate Performance meetings. • All Service Risk Registers name risk owners. • Job Descriptions cover responsibility in respect of Risk. • Risk Registers are formally reviewed on at least a quarterly basis. • All Service Risk Registers are analysed for potential inclusion into the Strategic Risk Register as part of the Performance Management Framework.	• Evidence of manager involvement in risk identification and analysis process • Risk owners detailed in corporate /departmental risk register(s) • Risk owners assigned in relation to key partnerships • Job descriptions of managers outline their risk management responsibilities • Evidence of (at least) annual review of risk at service/operational levels and of partnership risks • Analysis of completed control and risk self-assessment questionnaires
10. Risk management is embedded throughout the organisation	• The training, processes and procedures of the authority are designed to ensure that risk management is embedded within the organisation. For example all reports now incorporate a section on Risk Management, all Service Plans include a Risk Register, and all major projects require the development of a Risk Register.	• Evidence of a general risk management culture at all levels • Risk management training programme • Evidence of managers involvement in risk management aspects of business planning • Results of strategic diagnostic survey to

	• Regular reporting on Risk serves to raise awareness. • The authority has not undertaken a strategic diagnostic survey.	ascertain the extent to which risk management is understood by each category of officer (senior management, operational managers etc) and members
11. Risks in partnership working are fully considered	• All reports considering entering into Partnership arrangements incorporate a section relating to Risk. • All partners have developed their own Risk Register and Risk Management processes. • The governance / contractual arrangements with all potential partners are reviewed to analyse where the risk of any eventualities would actually fall i.e. on the Council or on the partner. The Partnership arrangements are only agreed after this issue has been given appropriate consideration in the light of the benefits which are likely to arise from that Partnership.	• Evidence of risk assessments being undertaken before the commencement of major partnerships, preferably in the report on which the decision to proceed is based • Evidence that risk assessment are regularly reviewed and updated during the partnership period • Evidence that potential partners are required to produce and submit risk assessments • Evidence that partnership arrangements are reviewed in terms of risk before they are entered into and, subsequently, that the risks are reviewed • Evidence that there are effective arrangements in place for risk sharing (e.g. in the partnership contract terms and conditions or agreement)
12. Where employed, risk management information systems meet users' needs	• Risk Management information is generally maintained on standard Microsoft Office type software. • In respect of Insurance claims history etc these are held on the Insurers database. The Insurers analyse for adverse trends, and information is also made available to the responsible officers. • Risk Management arrangements are reviewed by the Business Risk Group – which is externally validated – on a bi-monthly basis.	• Evidence of risk information being updated promptly • Review of accuracy and usefulness of output from information systems • Evidence that users were/are consulted on initial implementation and further development • Interviews with users to assess suitability of the system for their needs

Objective 3: Identify and evaluate key controls to manage principal risks:

Step 1: In support of objective 3 – The authority has robust system of internal control which includes systems and procedures to mitigate principal risks		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff: • Authority has adopted	• Financial Regulations are incorporated into the Council's Constitution which is reviewed on a regular basis. • The Constitution is available on an interactive basis on the Council's website. • The Audit Committee has overall responsibility for the Council's financial governance and risk management arrangements and receives appropriate reports to enable it	• Financial regulations and instructions exist & are reviewed & updated regularly • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, accessible in finance manuals and/or on intranet site • Reports to audit committee or equivalent

CIPFA code on Treasury Management • Compliance with the Prudential Code	to effectively discharge this function. • Treasury Management and Investment Strategy are reported to Council, with appropriate monitoring reports - including an outturn position – being provided. • The authority complies with the Prudential Code and such compliance is assessed as part of the Treasury Management Strategy taken to Council. • The Use of Resources Assessment is no longer undertaken by the Audit Commission.	confirming compliance or identifying extent of non-compliance with regulations and instructions • Report approving annual treasury management and investment strategy • Outturn report on treasury mgt. • External audit assessment of compliance with Prudential Code • Results of Use of Resources (or PURE) assessment of internal control KLOEs
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
2. There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff	• These are included within the Council's constitution which is available on line. • Council procedures are designed to ensure that officers take appropriate advice in respect of contractual arrangements. • In the light of a critical audit report all senior officers received formal procurement training during the course of the 2012/13 financial year. • Since a critical External Audit report in 2011/12 Internal Audit have undertaken regular reviews of contractual arrangements.	• Council Procedure Rules exist, are reviewed and updated regularly to cover new procedures such as partnering arrangements and on-line tendering • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible in finance manuals and/or on intranet site
3. There is a whistle blowing policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	• A Whistleblowing Policy is available within the Employee Handbook, and on the intranet site. It is well publicised to employees. This Policy is currently being reviewed. • A thorough review is currently being carried out. • The Council investigates all issues which are raised under the Whistleblowing policy. • Updates on fraud are reported to the Audit Committee.	• Whistle blowing policy exists and has been reviewed and updated regularly • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible on website and intranet site • Evidence of effectiveness of policy (e.g. reports on incidence of usage, evidence on annual declarations on fraud to Audit Commission)
4. There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	• A review of the Counterfraud and Corruption Policy was undertaken in the summer of 2012, and it is part of the Council's strong stance against fraud, and its active participation in anti fraud activities. • The Council cooperates fully with a range of agencies including its own Internal Audit, the DWP, and the Audit Commission in order to share information and ensure that all information is appropriately investigated. • The Council reviews its gifts / hospitality registers on a regular basis.	• Counter fraud and corruption policy exists and has been reviewed and updated regularly • Evidence of formal approval • Examples of dissemination (briefings, induction, awareness sessions, accessible on website and intranet site) • Evidence of effectiveness of policy (e.g. reports on identified frauds; annual AF70 returns to Audit Commission, reports on results of National Fraud Initiatives) • Review of register of gifts and hospitality

Examples of assurance: (A)	Position at BDC : (B)	Type of Evidence suggested by FAN : (C)
5. There are codes of conduct in place which have been formally approved and widely communicated to all relevant staff	• The Codes of Conduct are available to all Members of staff. HR policies are available on the Intranet.	• Codes of conduct have been agreed, including national schemes (e.g. police officers) • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site
6. A register of interests is maintained, regularly updated and reviewed	• Registers of interest are maintained for Members. Members and Senior Officers are required to complete a Declaration of Related parties on an annual basis which are considered by External Audit. • Members are reminded of the requirement to disclose any Disclosable Pecuniary Interests (DPIs) or other interests as defined in the Code of Conduct at the outset of all meetings.	• Inspection of register of interests (members and staff) • Evidence of regular updating and review by senior officer(s)
7. Where a scheme of delegation has been drawn up, it has been formally approved and communicated to all relevant staff	• The Scheme of delegation was developed as part of the review of the Constitution, and was approved as part of the approval of the revised Constitution. It is reviewed on an on going basis. • The Scheme of Delegation is set out on the web site and is currently being reviewed.	• Scheme of delegation incorporates adequate controls and sanctions • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site • Regular reports on the operation of the scheme (e.g. compliance, budget monitoring, year-end balances)
8. A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff	• Revised procurement arrangements are now in place and the Council will refresh its Procurement Strategy during the course of the 2014/15 financial year. • The Council is a participant in a procurement consortium managed by Bassetlaw District Council in respect of 2013/14 to ensure that appropriate arrangements are in place which operates in line with recognised good practice. • The Strategy and associated operational principles has been communicated to staff via e mail, by meetings, and by a number of procedure instructions which have been circulated to all staff.	• Procurement policy exists and has been reviewed and updated regularly to take account of new initiatives e.g. drive towards wider consortia arrangements, shared services • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site • Evidence of effectiveness of policy (e.g. benchmarking results, best value review, internal/ external audit review)
9. Business/service continuity plans have been drawn up for all critical service areas and the plans: • Are subject to regular	• The Council has developed Business Continuity Plans for all key service areas, which are made available to responsible officers and are reported to staff. • These plans are reviewed on a regular basis, with identified weaknesses being addressed, and progress against agreed	• Current business/service continuity plans exist covering all critical service areas and are readily accessible • Evidence of regular testing • Evidence of regular review in the light of

testing • Are subject to regular review	actions monitored.	the results of testing and for changes in structures, procedures, information systems, responsibilities etc
10. The corporate/departmental risk register(s) includes expected key controls to manage principal risks	• Risk Registers identify key risks, and the controls / actions that are being taken in order to mitigate those risks. • The Council involves all employees in the Risk management process by making Risk Management part of the Service Planning framework. • All identified Risks are assigned to a responsible officer. • Partnership Risk Registers are considered as part of the process of managing the Council's overall Risk exposure.	• Risk register sets out principal risks and sets out appropriate key controls to manage them. • Key controls are monitored, reviewed and updated regularly • Use of risk management workshops to underpin the process and review of register and key controls • Risk owners are assigned to manage principal risks • Partnership risks are considered
Examples of assurance:	**Position at BDC**	**Evidenced by:**
11. Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed.	• Key Risks are set out within the Risk Registers which include details of the key mitigation factors in relation to those risks. • All Risk Registers are formally reviewed by the Business Risk Group on a cyclical basis, when both existing risks are reviewed and new risks are considered for potential inclusion in our Risk Registers. • Risk is a key element of the quarterly performance meetings.	• Appropriate key risk indicators are documented • Evidence of regular monitoring • Evidence of changes in risk indicators (and reasons for change) emanating from appropriate information sources (e.g. where internal audit findings are used to change the perceived level of risk)
12. The authority's internal control framework is subject to regular independent assessment	• The authority has in place a system of Internal Audit, with Internal Audit Plans agreed by the S151 officer and Audit Committee, appropriate reports being issued in respect of individual audits, and the Head of Internal Audit providing an annual opinion. • External Audit reports are considered by Members, and where appropriate are included within the Action Plan on Key Issues of Financial Governance which is considered on a regular basis by the Audit Committee.	• Internal audit plans and reports • Annual report/opinion of Head of Internal Audit • External audit reports • Use of Resources/PURE assessment reports

13. A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all relevant staff	• The Council has a Corporate Health and Safety Policy, and is a member of a Joint Service Consortium which provides our Health and Safety service. • Accident statistics are prepared and reviewed as part of the Corporate Performance framework. • All Partners and external contractors are required to have an appropriate Health and Safety policy. • The Council's policy and any significant issues are communicated to all employees. • Appropriate training for managers is provided.	• Health & safety policy exists and has been reviewed and updated regularly • Policy covers partnerships • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, inclusion of policy on website and intranet site • Evidence of effectiveness of policy e.g. number of cases investigated by Health & Safety Executive – and the number of cases proven • Review of number of reported incidences and 'near misses'
14. A corporate complaints policy/procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other stakeholders is regularly reviewed	• A Corporate Compliments, Comments and Complaints Procedure is in place managed by Customer Services. • The Procedure is in line with best practice. • The policy is communicated to staff by a variety of mechanisms, including induction, availability on the website, and by the training of all public facing staff who are aware of the requirement to direct any issues or potential issues into the formal complaints procedure. • Publicity is given at all customer access points. • Files and statistics relating to all complaints are maintained, and reported to both senior officers and to Members. Reports are summarised by outcomes. • Staff are directly involved (where appropriate) in responding to complaints concerning their service.	• Complaints policy/procedure exists and has been reviewed and updated regularly • Procedure is compliant with all relevant statutory requirements • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, inclusion of policy on website and intranet site • Leaflets/posters highlighting complaints procedure • Complaints files • Committee reports summarising complaints dealt with analysed by outcome

Objective 4: Obtain assurance on the effectiveness of key controls:

Step 1: In support of objective 4 – Appropriate assurance statements are received from designated internal and external assurance providers:

- **The authority has identified appropriate sources of assurance**
- **Appropriate external assurances are identified and obtained**

Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. The authority has determined appropriate internal and external sources of assurance	• The Assurance Statement will be agreed by relevant Senior Officers, by Executive Members and by the Audit Committee at its meeting on the 21st May. These groups and meetings will consider whether the sources of assurance are appropriate.	• Minutes of committee at which report on assurances was considered • Sources of assurance are appropriate to the authority
2. Appropriate key controls on	• These are identified within the Assurance	• Briefing notes, guidance, instructions etc given to

which assurance is to be given have been identified and agreed	Statement, and have been considered by appropriate officers.	appropriate managers regarding what is expected of them
3. Departmental assurances are provided	• The Statement will be signed off at SAMT. • Relevant supporting documentation is referred to throughout this Governance assurance statement.	• Departmental heads sign off on adequacy of controls (i.e. provide annual governance assurance statements) • Supporting documentation provided by departmental heads re review and monitoring arrangements that key controls have been in operation for the period and will continue to operate until accounts signed off. *(Structured process and standard documentation to ensure consistency of coverage and common understanding of level of assurance given)* • Completed Control & Risk Self-Assessment questionnaires • Annual governance assurance statements evaluated by officer team or committee charged with the responsibility of preparing the AGS. Evaluation to include 'reality checking' of sample of assurance statements
4. External assurance reports are collated centrally • Reports are reviewed by relevant senior management team and reported to appropriate committee • Action plans are prepared and approved as appropriate • Follow up reports on recommendations are requested and reviewed by relevant senior management team and progress is regularly reported to relevant committee	• All reports from external inspection, from Peer review, and internal audit are reported appropriately to senior management and to an appropriate Committee. In the majority of cases the responsible officer is required to ensure that any accepted recommendations are implemented. With respect to the most serious or contentious issues which could potentially impact upon the Council's wider governance arrangements these are incorporated within the Key Issues of Financial Governance Action Plan which is reported to the Audit Committee on a regular basis.	• Sources of external assurance relevant to authority are identified and agreed, including partnerships • External assurance reports will vary according to type of authority and could include comment and input from the following (the list is not exhaustive): • Audit Commission • External Auditor (either from direct audit work or from work jointly commissioned) • Social Services Inspectorate • Use of Resources assessment • PURE assessment (police service) • Best Value Reviews • HMIC • Police Standards Unit • Home Office commissioned reports • Corporate Management Team minutes • Follow up reports to appropriate committee
Examples of assurance:	**Position at BDC**	**Evidenced by:**
5. Internal Audit Arrangements	• A summary of all Internal Audit reports and their overall conclusion is considered by the Audit Committee. Where the control environment is	• Reports of Head of Internal Audit to audit committee or equivalent throughout the year • Annual report of Head of Internal Audit, including

	judged to be marginal or below then the full report is considered. • The Annual Report of the Head of Internal Audit is considered by the Audit Committee.	opinion on internal control and risk management framework
6. Corporate Governance Arrangements	• The Annual Governance Statement will be considered by the Audit Committee prior to being published alongside the draft Statement of Acc • Other relevant reports will be taken to either the Audit Committee or to Executive/Council where appropriate.	• Annual corporate governance assurance statement • Internal or external audit review of corporate governance arrangements • Monitoring reports to committee on delivery of action plans in response to reviews of corporate governance
7. Performance monitoring arrangements	• These will be considered by Executive/Council, and reviewed by Scrutiny.	• Annual and in-year reports on delivery of key performance indicators by internal and/or external review agencies

Objective 5: Evaluate assurances and identify gaps in control/ assurances:

Step 1: In support of objective 5 – The authority has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. Responsibilities for the evaluation of assurances are clearly defined throughout the organisation.	• The Constitution makes clear the respective role of the Council, the Executive and the role of Audit Committee to act as independent assurance. • Relevant officers receive appropriate training in order to ensure that they are in a position to offer appropriate guidance to ensure that the assurance framework is robust.	• Minutes of committee meetings • Training plans • Job descriptions • Committee terms of reference
2. Mechanism established for collecting governance assurances • Overall responsibility allocated to governance senior officer group • Required assurances are agreed and recorded • Central record of all assurances (either evidence file, or showing clear link to where evidence is held) • Clear guidance as to evaluation procedure including assurance over risks, independence and	• The Chief Financial Officer has overall responsibility for gathering the evidence regarding the assurance framework, with the Council having the responsibility for ensuring that an appropriate framework is in place. • All evidence re the provision of assurances will be maintained. • The CFO has the role of preparing a draft statement, which is then quality assured and challenged by SAMT, Leading Members and by Audit Committee. • A timetable is in place for the production of the AGS, which allows time for independent review and challenge.	• Terms of reference and key responsibilities • Record of assurances required and received is held and is complete • Approved written guidance re evaluation procedure • Scoring matrix/methodology *(Not all assurances are suitable for grading; many will be subjective anyway. Key points are that there is a consistent and reliable assessment process and that the conclusions drawn are in line with the evidence produced)* • An agreed timetable, allowing for in-year evidence gathering and assessment and for the period between the year-end and the date of the governance assurance statement (timetable driven by that for the production of the annual statement of accounts) • Gap assessment results and actions arising • Minutes of meetings

objectivity of assurances • Defined evaluation mechanism • Timetable for completion by statutory , deadline • Gap assessment – performed and challenged		• Annual report of Head of Internal Audit – including opinion on internal control and risk management framework • Reports of external auditor and other external review agencies

Objective 6: Action plan to address weaknesses and ensure continuous improvement of the system of corporate governance:

Step 1: In support of objective 6 – There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. An action plan is drawn up and approved	• An Action Plan is already in place regarding key weaknesses in the form of the Key Issues of Financial Governance which is updated at all meetings of the Audit Committee. Recommendations of lesser importance are assigned to lead officers to implement. Any issues which emerge from the development of this assurance statement will be treated in a similar fashion. • All significant issues are reported to Audit Committee / Executive / Council and all such meetings are appropriately minuted.	• Prioritised action plan, setting out actions, responsibilities and timescales, approved at appropriate level • Minutes
2. All actions are 'SMART': • Specific • Measurable • Achievable • Realistic • Time-bound	• The Council ensures that all recommended actions accord with the SMART criteria, with officers having appropriate skills to QA.	• Each action on prioritised action plan is compliant with 'SMART' test
3. Actions communicated and responsibilities assigned	• Responsible Officers are assigned to all agreed actions.	• Responsibilities for each action are defined in action plan • Evidence of distribution of action plan to those who require it
4. Implementation timescales agreed	• Timescales are incorporated into Action Plans and Recommendations.	• Target dates included in action plan
5. Ongoing review of progress and of continuing appropriateness of action	• Reviews and Monitoring are built into all Action Plans, with progress reports formally reported to Committee where appropriate. • Agreement to internal audit reports is monitored by Senior Management and by the Internal Audit service.	• Timetabled reviews • Minutes • Progress reports • Internal audit or other review of implementation of agreed actions

Objective 7: Annual Governance Statement:

Step 1: In support of objective 7 – An Annual Governance Statement has been drafted in accordance with the statutory requirements and timetable set out in the Accounts and Audit Regulations 2003*, as revised by the Accounts and Audit (Amendment) (England) Regulations 2006,* and is in accordance with CIPFA guidance.		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. Responsibility for the compilation of the Annual Governance Statement has been assigned to a team drawn from appropriate disciplines and having sufficient seniority	• The Team includes a senior governance officer, legal, the S151 Officer, Internal Audit, Scrutiny and Finance. There is also a clear process of consultation to ensure that other relevant parties are consulted. • Meetings are appropriately minuted.	• Documented key responsibilities • Minutes
2. There is an Annual Governance Statement production timetable that meets the statutory deadline	• AGS Timetable in place to provide draft AGS to Audit Committee for consideration at its meeting on 21st May 2013 for formal approval on 23 June 2014.	• Annual Governance Statement timetable is linked to that for the preparation of statutory accounts
3. The Annual Governance Statement is reviewed, challenged and approved by the authority	• The Timetable is designed to allow an adequate process of discussion with Senior Officers, Members and the Audit Committee. • In drawing up the Statement consideration has been given to CIPFA / SOLACE guidance. • Minutes of the Consultation with SAMT, Audit Committee will be prepared.	• Terms of reference assigned to senior officers group • Annual Governance Statement is compliant with CIPFA guidance • Minutes
4. The Annual Governance Statement incorporates all the required elements of the statement on internal control	• The AGS follows good practice, and will incorporate all required elements of the statement on internal control. • The timetable for the production of the AGS has been structured around the Statutory Timetable for Accounts closure.	• Format of Annual Governance Statement clearly incorporates required elements of the statement on internal control • Annual Governance Statement is prepared by a senior officer group under terms of reference defined by the authority • Statutory timetable is followed

Objective 8: Report to Executive / executive committee:

Step 1: In support of objective 8 – An annual report to the authority (or delegated committee) on the Annual Governance Statement is presented, in accordance with the CIPFA pro forma		
Examples of assurance:	**Position at BDC**	**Evidenced by:**
1. Responsibility for reporting is clearly defined	• The report to the Audit Committee sets out clear roles and responsibilities in this regard. Both the contents of the Governance Statement and the approval channels will be reported to appropriate portfolio members. • Should any significant changes be made these will be appropriately reported.	• Initial report explaining the requirement to produce an annual governance statement incorporating the SIC should establish the reporting arrangements / responsibilities of all involved and set out who should sign the annual governance assurance statement after approval by the authority or designated committee

		• Reports identifying any changes to initial arrangements
Examples of assurance: (A)	**Position at BDC : (B)**	**Type of Evidence suggested by FAN : (C)**
2. The signatories to the annual governance statement and SIC are defined and are appropriate in accordance with statutory requirements (i.e. Most senior officer and most senior member of the organisation)	• The final statement will be signed by the Leader, and the Chief Executive. The AGS will, however, be provided to them with both the outcome of this Assurance Statement and with a memo setting out the processes which have been used to arrive at the AGS including which Members and Officers have been consulted. • Appropriate senior officers will 'sign off' a covering memo to the Governance Statement.	• As above
3. The report is likely to be published in a timely fashion with the statutory accounts	• The final agreed version of the AGS will be published alongside the draft Statement of Accounts which will be considered by Audit Committee on the 23 June.	• Assessment of the current position in relation to the statutory deadline

APPENDIX 4

Key Elements of the Systems and Processes of a Governance Framework

(Extracted from CIPFA/SOLACE Delivering Good Governance in Local Government 2012)

Key elements of the systems and processes that comprise an authority's governance include arrangements for:

- **identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users**

See FAN Assurance Objective 1 Statement Step 2.

- **reviewing the authority's vision and its implications for the authority's governance Arrangements**

See FAN Assurance Objective 1 Statement Step 2.

- **translating the vision into objectives for the authority and its partnerships**

See FAN Assurance Statement Objective 1 Step 2.

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

See FAN Assurance Statement Objective 1 Step 4.

- **defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements**

See FAN Assurance Statement Objective 1 Step 3.

- **developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

See FAN Assurance Statement Objective 1 Step 2.

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

See FAN Assurance Statement Objective 1 Step 2, 3, 4.

- **reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

See FAN Assurance Statement Objective 2

- **ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

  The Council has in place an established Anti Fraud, Bribery and Corruption Policy (Including Money Laundering Policy) which was reviewed and approved in the summer of 2012. Regular updates are taken to the Audit Committee.

See FAN Assurance Statement Objective 3

- **ensuring effective management of change and transformation**

  The Council has in place a suitably qualified management team which has over the 2012/13 and 2013/14 financial year successfully balanced a challenging budget, delivered a major regeneration project which has included moving its administration centre from Bolsover to Clowne, continued to deliver an effective Strategic Alliance for joint working with North East Derbyshire District Council and has progressed plans to deliver improvements in the Council's Governance arrangements.

See FAN Assurance Statement Objective 3

- **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 in place an experienced, qualified accountant as Chief Financial Officer and complies with the requirements of the CIPFA statement.

- **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 Authority is fully compliant with the CIPFA statement having a qualified Head of Internal Audit and sufficient resources to deliver audit plan. The Council is compliant with the Public Sector Internal Audit Standards (PSIAS) which came into effect on 1st April 2013.

- **ensuring effective arrangements are in place for the discharge of the monitoring officer function**

  The Council has in place a monitoring officer who is experienced in that role, is a qualified lawyer and is head of the Council's legal service.

- **ensuring effective arrangements are in place for the discharge of the head of paid service function**

  The Chief Executive is the Head of Paid Service. He is experienced in that role and is a qualified accountant.

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

  There is an established Audit Committee in place which meets 6 times a year. Its role is set out within the Council's Constitution and it conforms to the requirements of the CIPFA guidance. The Audit Committeehas self assessed its performance against the relevant sections in the CIPFA / SOLACE publication "Delivering Good Governance in Local Government"

- **ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

  Our compliance with this requirement is considered in the self assessment provided in Appendix 3 to this report

- **whistleblowing and for receiving and investigating complaints from the public**

  The Council has a whistleblowing charter in place which applies to Employees, Elected Members, the public and external contractors.

- **identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

  The Assurance Statement assesses the training /development arrangements in respect of both Members and senior Officers.

- **establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

  See FAN Assurance Statement Objective 1 The Council has secured and maintained Customer service Excellence status and continues to develop its services to customers through effective consultation, communication and establishment of clear service standards

- **enhancing the accountability for service delivery and effectiveness of other public service providers**

  The Council has well established relationships with other providers of public services including having a senior Health officer on its Management Team, together with a joint programme of promoting active lifestyles. Regular meetings take place with senior officers of the County Council and with neighbouring District Council's. A regular Parish Liaison meeting is held and the Council has good working relationships with all local parish councils. It has an active LSP which links effectively to a range of locally based partnerships, while it has good working relationships with appropriate national agencies such as the Department of Work and Pensions. Appropriate joint service initiatives – including shared services are promoted. In addition to maintaining its good working relationship with other local authorities the Council is seeking to secure further improvements in its relationship with the private sector as it recognises that a prosperous local economy lies at the heart of achieving its own priorities. To support its economic development initiatives

the Council is an active Member of the Sheffield City Region Local Economic Partnership and is a member of the N2D2 LEP which covers Nottinghamshire and Derbyshire.

- **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.**

  Our compliance with this requirement is considered in the self assessment outlined in Appendix 3 to this report.

APPENDIX 5

DRAFT MEMORANDUM TO THE SIGNATORIES OF THE ANNUAL GOVERNANCE STATEMENT

You will be aware that in line with the requirements of the Accounts and Audit (Regulations 2011 and associated good practice guidance that all local authorities are required to prepare as part of the preparation of the Annual Accounts an "Annual Governance Statement". At the heart of the Annual Governance Statement is a requirement to reflect how the Council conducts its business, both internally and in its dealing with others. In line with good practice it is appropriate that the Leader and the Chief Executive be required to sign off the Governance Statement, with the signed copy appearing alongside the Council's Published Accounts.

As the Chair of the Audit Committee and the Council's Responsible Financial and Legal officers we have given appropriate consideration to the Governance Statement that is attached. We are satisfied that it meets the requirements the relevant legislation and good practice and that it gives the reader a true and fair view of the current position within Bolsover District Council. In arriving at this statement we have taken into account the available evidence, and have put in place appropriate mechanisms to allow informed challenge of this document to take place.

In particular we have placed reliance on the following:

- We have developed an Assurance Statement which follows the model set out within the Rough Guide for Practitioners produced by the CIPFA Finance Advisory Network. This Guidance which is now some 7 years old has been supplemented by a consideration of the requirement of the CIPFA / SOLACE publication Delivering Good Governance in Local Government (2012).

- We have considered all of the findings or outcomes of the reports presented by KPMG (our External Auditors), by other external inspections or by Peer Review, and from Internal Audit. Where these reviews have resulted in an unfavourable conclusion this has been taken forward by inclusion in the Key Issues of Financial Governance report which is presented to all routine meetings of the Audit Committee.

- The Governance Statement that is presented here has been compiled by a group of senior officers including the Executive Director Operations (S151 Officer) and has been reviewed by other senior Council Officers.

- The contents of the Governance Statement have been agreed with the Strategic Alliance Management team.

- Portfolio Members of the Executive have been provided with the opportunity to comment.

- The statement was agreed by the Council's Audit and Corporate Governance Committee at its meeting of 23 June 2014.

In the light of the above we consider that it is reasonable to request that you sign the attached Governance Statement. We are satisfied that the contents of the Governance Statement are supported from the evidence collected within the Assurance Statement, and is in line with the issues identified in the Key Issues of Financial Governance Statement. Furthermore, we believe that the Statement has been appropriately prepared by Council officers, and that it has been through a range of challenge mechanisms which ensure that there is effective corporate ownership of the Statement.

John Yates
Chair of the Audit Committee

Bryan Mason
S151 Officer
(Executive Director Operations)

Sarah Sternberg
Monitoring Officer