

## TONBRIDGE & MALLING BOROUGH COUNCIL

### AUDIT COMMITTEE

3 April 2017

#### Report of the Chief Executive and Director of Central Services

#### Part 1- Public

#### Matters for Decision

#### 1 LOCAL CODE OF CORPORATE GOVERNANCE

**This report recommends to Members of the Audit Committee changes required to the Local Code of Corporate Governance**

#### 1.1 Introduction

1.1.1 In January we reported that the Framework document “Delivering Good Governance in Local Government Framework 2016” had resulted in a requirement for the TMBC Local Code of Corporate Governance to be largely rewritten.

1.1.2 An internal audit “gap analysis” highlighted a number of areas where the current Local Code may not meet the requirements of the 2016 Framework. In particular, many of the requirements link to provisions in the Council’s Constitution, which is currently also under review, with a view to submission of a revised constitution for scrutiny at the Overview and Scrutiny Committee during 2017.

1.1.3 A detailed review and revision of the Local Code has now taken place, taking into account the gap analysis, and feeding into the review of the constitution. The proposed amended Local Code, which complies with the Framework, is attached as Annex 1 to this report.

#### 1.2 Legal Implications

Whilst there is no legal requirement for Council’s to develop a Local Code of Corporate Governance, such a Code provides a public document that demonstrates how the Council ensures it operates in a proper way and in accordance with the law.

#### 1.3 Financial and Value for Money Considerations

There are no financial and value for money considerations arising from the Code.

## **1.4 Risk Assessment**

Adoption of a Local Code of Corporate Governance is seen as good practice in that it demonstrates how the Council ensures it operates in a proper way and in accordance with the law and as such is subject to annual review to ensure it remains fit for purpose. Not to do so may attract unwelcome comment/criticism.

## **1.5 Equality Impact Assessment**

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **1.6 Recommendations**

It is recommended that Audit Committee recommend to Cabinet the adoption of the amended Local Code for Corporate Governance as attached to this report.

Background papers:

contact: Adrian Stanfield

CIPFA/SOLACE – “Delivering Good Governance in Local Government”.

Julie Beilby  
Chief Executive

Adrian Stanfield  
Director of Central Services

Local Code of Corporate Governance	Supporting Evidence
<b>1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</b>	
<b>1.1 Behaving with Integrity</b>	
<p>Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organization</p>	<p>The Council has a Code of Conduct for Members, which is founded upon the Principles of Public Life (the Nolan Principles). This is enforced (where necessary) through the Council's Joint Standards Committee.</p> <p>In addition the Council has:</p> <ul style="list-style-type: none"> <li>• An Equalities Policy</li> <li>• A Code of Conduct for staff and a protocol for member/ officer relations</li> <li>• A Declaration of Interest Register for Members and for staff</li> <li>• A Register of Gifts and Hospitality offered to Members and staff</li> <li>• Financial Procedure Rules</li> <li>• Contracts Procedure Rules</li> <li>• A publicised complaints procedure</li> <li>• A fraud-aware culture, and an anti-fraud and corruption policy which is reviewed and updated annually.</li> </ul>
<p>Ensuring members take the lead in establishing specific standard operating principles or values for the organization and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life</p>	<p>The Council's constitution sets out clearly the standard operating procedures, and any delegation of responsibility from Council (and Cabinet) and the decision making powers of the Council, cabinet and its committees and boards.</p>
<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>The Council's constitution clearly sets out the process for holding the executive to account through the debate of items at committees, and a system of reporting to the Council's Overview &amp; Scrutiny committee.</p>

<b>1.2 Demonstrating Strong Commitment to Ethical Values</b>	
Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<p>The Council has a number of policies and Codes which officers and members are expected to adhere to:</p> <ul style="list-style-type: none"> <li>• a Code of Conduct for Members and Officers</li> <li>• An Equalities Policy</li> <li>• A Declaration of Interest Register for Members and for staff</li> <li>• A Register of Gifts and Hospitality offered to Members and staff</li> <li>• Financial Procedure Rules</li> <li>• Contracts Procedure Rules</li> <li>• an anti-fraud and corruption policy</li> <li>• a Standards Committee to promote and maintain high standards of conduct by Members</li> </ul>
Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	The Code of Conduct for Members is enforced through the Standards process. Where members of staff depart from the Council's policies, these may be enforced through disciplinary measures.
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<p>The Council has robust arrangements in place to ensure that it does the right things, for the right people in a timely, inclusive, open, honest and accountable manner. These are monitored and publicized through:</p> <ul style="list-style-type: none"> <li>• The Council's performance reporting arrangements</li> <li>• Procedures for recruitment and training</li> <li>• Decision making practices</li> <li>• Data transparency arrangements, such as</li> <li>• publication of decisions and committee meeting minutes</li> <li>• Partnership governance arrangements</li> </ul>
Ensuring that external providers of services on behalf of the organization are required to act with integrity and in compliance with ethical standards expected by the organisation	The Council's Contracts Procedure Rules require standard terms to be included in all contracts, including provisions relating to bribery, equalities and fraud.

<b>1.3 Respecting the Rule of Law</b>	
<p>Ensuring members of staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations</p>	<p>The Council actively recognises the requirements and responsibilities placed on it by law and will act to observe all specific legal requirements placed upon it when taking decisions. Training is provided to new members of staff, and ongoing training (in particular in relation to regulatory functions) is also provided on both an ad hoc and programmed basis.</p> <p>This is underpinned by a series of policies and processes to ensure that staff adhere to legal requirements including:</p> <ul style="list-style-type: none"> <li>• a Code of Conduct for Members and Officers</li> <li>• A Declaration of Interest Register for Members and for staff</li> <li>• A Register of Gifts and Hospitality offered to Members and staff</li> <li>• Financial Procedure Rules</li> <li>• Contracts Procedure Rules</li> <li>• an anti-fraud and corruption policy</li> </ul>
<p>Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p>	<p>Training is provided to new members upon election, and ongoing training (in particular in relation to regulatory functions) is also provided on both an ad hoc and programmed basis.</p> <p>The Council's Monitoring Officer and Deputy Monitoring Officers are responsible for ensuring that the Council acts in accordance with the law and that decisions made by the Council, however made, are made lawfully.</p>
<p>Striving to optimize the use of the full powers available for the benefit of citizens, communities and other stakeholders</p>	<p>All departments are encouraged to work closely with the Council's legal team and where necessary to consult the Monitoring Officer to ensure that the most effective use is made of the Council's powers.</p> <p>Legal staff receive regular training and updates when new powers become available to the Council.</p> <p>The Council also strives to utilise its statutory powers to work in the public interest and to the full benefit of its citizens, particularly in relation to regulatory activity.</p> <p>All committee reports include a section to ensure any legal implications are fully analysed when making decisions.</p>

	<p>In addition, many committees (in particular where the Council is carrying out regulatory functions) sit with a legal advisor.</p>
<p>Dealing with breaches of legal and regulatory provisions effectively</p>	<p>Staff in enforcement roles are appropriately trained and (where necessary) professionally qualified in the relevant field.</p> <p>The Council has individual service enforcement policies which set out how breaches are to be investigated and enforced. Investigations are carried out with the assistance of legal advice where needed. Any prospective prosecution is assessed in accordance with the Code for Crown Prosecutors and considered by a senior lawyer before a decision is made.</p> <p>Enforcement staff are encouraged to work closely with the Council's legal team to ensure that the most effective use is made of the enforcement powers available to the Council.</p> <p>In committees where the Council is carrying out a regulatory function, the committee usually sits with a legal advisor.</p>
<p>Ensuring corruption and misuse of power are dealt with effectively</p>	<p>The Council takes corruption and misuse of power very seriously. The Council has an anti-fraud and corruption strategy and a whistleblowing policy in place.</p> <p>In addition, the Council has a Joint Standards Committee and Code of Conduct for Members which investigates complaints against members.</p> <p>The Council's The Council's Monitoring Officer and Deputy Monitoring Officers are responsible for ensuring that the Council acts in accordance with the law.</p> <p>All staff are required to confirm their acceptance of all policies, including the anti-fraud and corruption and whistleblowing policies through netConsent. Such policies are ultimately enforceable through disciplinary measures.</p>

**2. Ensuring openness and comprehensive stakeholder engagement**

**2.1 Openness**

Ensuring an open culture through demonstrating, documenting and communicating the organization's commitment to openness

The Council follows both the mandatory and (where cost effective) recommended provisions of the Local Government Transparency Code for publication of information held by the Council, and has a detailed scheme of publication under the Freedom of Information Act. In addition, in relation to certain decisions made at officer level, the Council is implementing the requirements of the Openness in Local Government Regulations 2014.

Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided

The Council has established arrangements to communicate and consult with Members of the public on the Council's work and key policy changes and this consultation allows the development of strategic priorities and the Corporate Strategy.

The Council's Constitution sets out clearly the decision-making powers of:

- The Council
- The Cabinet (including the Executive Leader and delegated decision-making to the Cabinet Portfolio Holders),
- Other Council committees; and
  - powers delegated to officers and the limits of such delegation

The Overview and Scrutiny Committee is responsible for reviewing and scrutinizing decisions made by and performance of the cabinet, committees and officers. Decisions made by cabinet, committee or a cabinet member can be subjected to scrutiny via a call-in procedure allowing challenge within five working days of the decision being taken. Feedback from the Overview and Scrutiny Committee, Cabinet, Committees and Advisory Boards is taken into account and given due consideration in the decision-making process.

Forthcoming key decisions are published in advance at regular intervals. All Member meetings held by the Council are open to the public, unless the items being discussed are considered to be private under the Local Government Act 1972; these may include staffing and legal matters and those of a contractual nature. Where such an exemption applies, it is recorded in the relevant report and minute.

<p>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.</p>	<p>Reports to members set out all relevant considerations in order to ensure that any decision taken is rational and lawful. In addition, reports of certain officer level decisions are required to be published under the Openness in Local Government Regulations 2014.</p>
<p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.</p>	<p>The Council carries out consultation where this is a legal requirement.</p>
<p><b>2.2. Engaging comprehensively with institutional stakeholders</b></p>	
<p>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are successfully achieved and sustainably.</p>	<p>The Council's Corporate Strategy 2016/19 outlines the means by which local stakeholders (including institutional stakeholders) will be engaged and how constructive, challenging relationships will be built.</p> <p>The Council has put in place Committees / Boards with cross-party representation to ensure effective and robust discussion of issues.</p> <p>The Council also has an Overview and Scrutiny Committee to scrutinise decisions made by Cabinet.</p>
<p>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p>	<p>The Council has a number of partnerships, such as Shared Service and Joint Working arrangements which are intended to share resources with neighbouring authorities to improve efficiency and economic sustainability.</p>
<p>Ensuring that partnerships are built on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p>	<p>The Council is in the process of developing a partnership policy to guide these principles and ensure that any partnership adheres to these values.</p>



<b>2.3 Engaging with individual citizens and services users effectively.</b>	
<p>Establishing a clear policy on the type of issues that the organization will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</p>	<p>The Council is clear that it is ultimately accountable to the citizens of Tonbridge &amp; Malling. The Council has a good understanding of who lives, works and plays in the borough and has mechanisms to listen to and respond to their needs, aspirations and concerns.</p> <p>All consultations are published on the Council's website. When considering consultation responses, the Council's decision considers the merit of the responses being made, regardless of the nature of the stakeholder group. The Council carries out consultation when legally required to do so.</p> <p>All reports and decisions include an equalities impact assessment which takes into account whether a decision would have a disproportionate impact on a certain section of society.</p>
<p>Ensuring communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>All consultations are published on the Council's website.</p> <p>The Council's constitution sets out the roles of members, and (in particular) cabinet members and their roles with regard to community engagement.</p> <p>Public-facing staff receive training relevant to their roles to ensure that their community engagement roles are clear.</p>
<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.</p>	<p>The Council has taken action to develop and support effective engagement opportunities with all groups of the local community:-</p> <ul style="list-style-type: none"> <li>• The Council promotes the TM Youth Forum that represents the views of young people living in Tonbridge and Malling</li> <li>• The Council supports the Tonbridge &amp; Malling Seniors' Forum (TAMS) which promotes and the needs of the older resident.</li> <li>• The Council engages with other key stakeholders through a number of partnerships that the Council has embarked upon.</li> <li>• The Council actively uses complaints received to learn and improve services, whether through the internal complaints system or via the Ombudsman.</li> </ul>
<p>Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.</p>	<p>Consultation responses are reported upon to the relevant committee or board where Members have an opportunity to consider feedback received and how best to respond to such feedback.</p>

	The Council also has in place a complaints procedure.
Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	When considering consultation responses, the Council's decision considers the merit of the responses being made, regardless of the nature of the stakeholder group.
Taking account of the impact of decisions on future generations of tax payers and service users.	All reports and decisions include an equalities impact assessment which takes into account whether a decision would have a disproportionate impact on a certain section of society.
<b>3. Defining outcomes in terms of sustainable economic, social and environmental benefits.</b>	
<b>3.1 Defining Outcomes</b>	
Having a clear vision, which is a clear formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy planning and other decisions	There is a clear statement of the organisation's purpose in the Tonbridge & Malling Borough Council Corporate Strategy 2016/19. This document sets out the key priorities for the authority and how the Council will work with a range of partners and the local communities towards achieving the objectives.
Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	Committee reports all contain an assessment of risk of the options being presented for a decision. Additionally, the Audit Committee has a role in scrutinizing corporate risk.  Where any decision is recommended, reports contain an analysis of the intended impact or changes for stakeholders and the timescale on which that is anticipated to happen. Decisions which may have a disproportionate impact on a certain section of society are subject to an Equalities Impact Assessment.
Delivering defined outcomes on a sustainable basis within the resources that will be available	The Council's Medium Term Financial Strategy covers both revenue and capital budgets, and it is this strategy that underpins the budget setting process for the forthcoming year and over the strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities and takes us into the future. Alongside the MTFS sits a Savings and Transformation Strategy. Its purpose, to provide structure, focus and direction in addressing the significant financial challenge that lies ahead.
Identifying and managing risks to the achievement of outcomes	The Council has arrangements in place to effectively monitor and manage risks to its business through the risk management strategy and strategic and service risk registers.  Committee reports all contain an assessment of risk of the options being presented for a

	decision. Additionally, the Audit Committee has a role in scrutinizing corporate risk.
Managing service users' expectations effectively with regard to determining priorities and making the best use of the available resources	The Council is accountable to the citizens of Tonbridge and Malling in delivering its duties and responsibilities. The Council manages relationships with partners and consults the public through a number of mechanisms, including regular reporting to members, partnership arrangements (supported by partnership agreements) and the provisions of the Council's constitution.
<b>3.2. Sustainable economic, social and environmental benefits.</b>	
Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	Value for money considerations are set out in all committee reports. The social impact of decisions is considered throughout the decision-making process, including the carrying out of an Equalities Impact Assessment where it is considered that a recommendation may have a disproportionate impact on a particular section of society.  Where relevant, policies are subject to Strategic Environmental Impact Assessment prior to adoption.
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	The Corporate Strategy, together with the Medium Term Financial Strategy and supported by the Savings and Transformation Strategy set out the long term high level objectives of the Council.
Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	Committee reports set out all relevant considerations to enable members to make decisions which are appropriate and lawful.
Ensuring fair access to services	The Council has an equalities policy which seeks to ensure fair access to the Council's services by all sections of society.

<b>4. Determining the interventions necessary to optimize the achievement of the intended outcomes</b>	
<b>4.1. Determining interventions.</b>	
<p>Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks, therefore ensuring best value is achieved however services are provided.</p>	<p>Decision making mechanisms are set out in detail in the Council's constitution. Whether a decision is at council, cabinet or committee level it is informed by a report encompassing advice from relevant services across the Council.</p> <p>Where relevant, alternative options are presented within committee reports, with an assessment of the benefits and disadvantages of those options.</p> <p>The Council's enforcement policies will inform a decision where legal or regulatory action is an option and reports will detail the legal implications of such action.</p>
<p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</p>	<p>Where appropriate, the Council carries out consultation with stakeholders, which is taken into account in the decision –making process. Consultations are published on the Council's website.</p> <p>In addition, the Council uses its complaints procedure to understand where services can be improved.</p>
<b>4.2 Planning Interventions</b>	
<p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p>	<p>Strategic and operational plans (such as the Corporate Plan) are reviewed on a regular basis.</p> <p>Feedback from consultations is taken into account in the decision making process and reported to the relevant committee, cabinet or Council meeting.</p> <p>The Savings &amp; Transformation Strategy (STS) has been prepared in order to support the achievement of the Council's Medium-Term Financial Strategy and direct resources in line with the Council's Corporate Strategy. The STS recognizes that there is no one simple solution to addressing the financial challenges, and that the Council needs to embrace transformation in a multitude of ways in order to deliver savings within an agreed timetable. The STS sets out a measured structure and framework for delivering the necessary savings through a series of themes; each theme having a deliverable target.</p>

<p>Engaging with internal and external stakeholders in determining how services and other courses of action should be delivered</p>	<p>The Corporate Strategy, medium term financial strategy and other key policies are set by cabinet or the Council following input from all service directors and the Chief Executive.</p>
<p>Considering and monitoring risks facing each partner when working collaboratively, including shared risks</p>	<p>Reports on proposals for shared services contain a risk assessment, and risks are mitigated through the shared service agreements.</p>
<p>Ensuring arrangements are flexible and agile so that mechanisms for delivering goods and services can be adapted to changing circumstances</p>	<p>The Council's Contract Procedure Rules and standard contract terms are reviewed regularly to ensure they are up to date with current best practice.</p>
<p>Establishing appropriate Key Performance Indicators as part of the planning process in order to identify how the performance of services and projects is to be measured.</p>	<p>Performance indicators are monitored within each service and reported to Management Team where appropriate.</p>
<p>Ensuring capacity exists to generate the information required to review service quality regularly</p>	<p>It is the responsibility of service directors and Management Team to ensure sufficient capacity exists.</p>
<p>Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</p>	<p>The Council's Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets, and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period.</p> <p>Budgetary control is undertaken on a monthly basis by services, who report known variations to Financial Services. These variations along with detailed monitoring of the Councils Salary Budget and Major Income Streams are reported to the Corporate Management Team and then onto Members via the Finance, Innovation and Property Advisory Board as part of the cycle of Councils meetings programme.</p>
<p>Informing medium and long-term resource planning by drawing up realistic estimates for revenue and capital expenditure aimed at developing a sustainable funding strategy</p>	<p>The Council's Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets, and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period.</p> <p>The Strategy sets out the high level financial objectives the Council wishes to fulfil over the agreed time span. The Strategy also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.</p> <p>The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities and takes us into the future. Underneath the Strategy sits detailed</p>

	<p>estimates formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures. It is acknowledged that circumstances will change and for this reason the Strategy needs to, and will, be kept under regular review.</p>
<p><b>4.3 Optimising achievement of intended outcomes</b></p>	
<p>Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p>	<p>The medium-term financial strategy is aligned with the Corporate Strategy. Service priorities are aligned to the Corporate Strategy.</p>
<p>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p>	<p>The budget monitoring process considers both revenue and capital budgets.</p> <p>Budget for the following financial year and longer term financial planning through the MTFS takes account of the impacts for service delivery through potential changes in client base, housing need and levels.</p> <p>The MTFS takes into account changes in Government Funding where these are known. Where these factors are unknown these are judged by officers and shared and confirmed with Members.</p>
<p>Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimizing resource usage</p>	<p>In considering the preparation of the Budget for the current and future financial years, Chief Officers are asked to identify potential growth issues and savings for future years that can be assessed and included with the MTFS. This may include changes in demand for services, including the growth in property, and proposed changes in fees and charges.</p>
<p>Ensuring the achievement of “social value” through service planning and commissioning</p>	<p>The Council has a Social Value Policy Statement. Whilst the issues of cost and quality remain of key concern, the concept of social value means that where appropriate, the Council can seek to achieve added social benefits in its procurement processes that may otherwise not have been achieved by other means.</p>
<p><b>5. Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b></p>	
<p><b>5.1. Developing the entity’s capacity</b></p>	
<p>Improving resource use through appropriate application of techniques such as benchmarking and other options to determine</p>	<p>The Council works towards improving value for money through:</p> <ul style="list-style-type: none"> <li>• Exploration of innovative ways of</li> </ul>

<p>how resources are allocated so that defined outcomes are achieved effectively and efficiently</p>	<p>working including potential for joint-working and shared services</p> <ul style="list-style-type: none"> <li>• Robust budgeting and financial monitoring arrangements including detailed reviews of budgets and potential savings opportunities</li> <li>• Internal and external audit</li> <li>• Publication of annual budget and accounts information</li> </ul>
<p>Recognizing the benefits of partnerships and collaborative working where added value can be achieved</p>	<p>The Council works in partnerships with other authorities in Kent. A commitment to working in partnership is one of the Council's stated Corporate Objectives.</p>
<p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<p>The Council has an extensive training programme for council officers including mandatory and voluntary training.</p> <p>The Council actively engages with its staff through:</p> <ul style="list-style-type: none"> <li>• Team meetings</li> <li>• Regular performance management meetings</li> <li>• The Joint Employee Consultative Committee</li> </ul>
<p><b>5.2. Developing the capability of the entity's leadership and other individuals.</b></p>	
<p>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p>	<p>The Council examines the capability of its people with governance responsibilities through appraisals, identifying any training gaps – the relevant training programmes are updated accordingly.</p>
<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<p>The Council's constitution sets out clearly the decision-making powers of the Council and its bodies and officers.</p>
<p>Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for the other's authority</p>	<p>The 2017 review of the Constitution will seek to make recommendations to the Overview &amp; Scrutiny committee to ensure that the roles of the Leader of the Council and Chief Executive are clearly defined.</p>
<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the organization to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.</p>	<p>The Council has undertaken steps through the "Peer Review Challenge" to review the effectiveness of the organization.</p> <p>The Council has a training programme for Members and holds regular training sessions</p>

	<p>(both on a programmed and ad hoc basis) for Members on a variety of topics:</p> <ul style="list-style-type: none"> <li>• Induction training for all new members</li> <li>• Service-specific training, e.g. Community Safety</li> <li>• Committee-specific training, e.g. Audit Committee</li> </ul>
Ensuring that there are structures in place to encourage public participation	Consultations are published on the Council's websites. In relation to decisions taken by the Council on planning matters, and certain matters under the Licensing Act 2003, members of the public are able to make both written and oral representations to the committee. The Council also operates a petition scheme.
Holding staff to account through regular performance reviews which take account of training or development needs	<p>Staff have access to appropriate induction training, and ongoing training on both an ad hoc and programmed basis relevant to their roles.</p> <p>The annual appraisal process reviews staff performance and also identifies training needs.</p> <p>Staff training takes place both through internal and external provision as appropriate.</p>
Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<p>The council has a Health and Wellbeing statement of intent recognizing that the Council's staff are its most valuable asset. The HR Strategy also recognizes the same. The Council has a Joint Employee Consultative Committee which enables employees to raise matters of concern, including health and wellbeing.</p>
<b>6. Managing risks and performance through robust internal control and strong public financial management</b>	
<b>6.1. Managing risk</b>	
Recognizing that risk management is an integral part of all activities and must be considered in all aspects of decision making	<p>Risk management practices are embedded within the organisation through the annual service and strategic planning processes, which is used to develop the Council's vision and objectives. This ensures that risks to the achievement of the Council's objectives are identified and managed appropriately. Risks identified are scored on the basis of their likelihood and impact and existing controls and required actions to further mitigate risks are captured in risk registers. The framework sets out the responsibility of Officers leading on areas with partnership arrangements to ensure that the partner has an adequate risk management strategy and sufficient insurance</p>



	cover to protect the interests of the Council.
Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<p>The Council has arrangements in place to effectively monitor and manage risks to its business through the:</p> <ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Corporate Risk Register ( Note: this is in the process of being developed and will be reported to Audit Committee in June/July)</li> <li>• Service Risk Registers</li> <li>• Audit Committee role in scrutinising corporate risk</li> <li>• Consideration of risk in all Committee reports</li> <li>• Annual Governance Statement</li> </ul> <p>The corporate and service risk registers are updated regularly.</p> <p>Risks associated with decisions are set out on relevant committee, cabinet or council reports.</p> <p>The Council's standard report template requires Officers and Members to carry out a risk assessment of the action recommended in the report ensuring risk is considered in all decision-making of the authority. This assessment also covers legal, financial and value for money considerations and equality issues where relevant.</p>
Ensuring that responsibilities for managing individual risks are clearly allocated.	The service risk registers clearly identify responsibilities for managing individual risks.
<b>6.2. Managing performance.</b>	
Making decisions based on relevant, clear and objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	The performance of the Council and its partners in achieving its objectives is monitored and measured by services and their respective Service Management Teams and subsequently Management Team and Members. Individual services are accountable to the Corporate Management Team for operational performance monitoring and measurement and are responsible for taking action to correct any adverse performance, in the first instance, as appropriate.
Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organization for which it is responsible (or for a committee system) encouraging effective and constructive	The overview and scrutiny committee is responsible for reviewing and scrutinizing the decisions made by and performance of the Cabinet and/ or Committees/ Advisory Boards and Council Officers. Decisions made by Cabinet, a Committee or by a Cabinet Member acting on the recommendation of an Advisory

<p>challenge and debate on policies and objectives to support balanced and effective decision making</p>	<p>Board can be subjected to scrutiny via a call-in procedure allowing challenge within 5 working days of the decision being taken.</p>
<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>The Council has in place committees &amp; boards with cross-party representation to ensure effective and robust discussion of issues. Relevant boards, committees and the executive are provided with information reports on a regular basis to provide progress reports on service delivery and outcomes.</p>
<p>Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)</p>	<p>The medium-term financial strategy is aligned with the Corporate Strategy. Service priorities are aligned to the Corporate Strategy, which ensures consistency between budget setting and service delivery.</p> <p>Capital schemes are subject to evaluation prior to the approval for implementation; the criteria of the evaluations are set by Council.</p> <p>Following the schemes completion a post implementation review will be prepared and shared with members in order to determine the accuracy of the initial evaluation and identify lessons to be learned and considered in future evaluations.</p>
<p><b>6.3 Robust internal control</b></p>	
<p>Ensuring effective counter-fraud and anti-corruption measures are in place</p>	<p>The Council has an effective Internal Audit service and Anti-Fraud service in place. The Council also has an Anti-Fraud and Corruption Policy and Whistleblowing Policy.</p>
<p>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>The Council has in place arrangements to effectively monitor and manage risks to its business through the:</p> <ul style="list-style-type: none"> <li>• Risk management strategy</li> <li>• Corporate risk register</li> <li>• Service risk registers</li> </ul>
<p>Establishing an audit committee or equivalent group/function which is independent of the executive and accountable to the governing body</p>	<p>The core functions of an audit committee as defined by <i>CIPFA's Audit Committees: Practical Guidance for Local Authorities</i> are fulfilled by the Council's Audit Committee. The Council's</p>

	<p>Constitution sets out the responsibility of the Audit Committee to provide independent assurance of the adequacy of the risk management framework and associated control environment. To do so, the Audit Committee has adopted a Risk Management Strategy that sets out the roles of Officers and Members in the identification and minimisation of risk.</p>
<p><b>6.4 Managing Data</b></p>	
<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>The Council maintains a number of local policies which support and embed information processes. These include</p> <ul style="list-style-type: none"> <li>• Data Protection policy</li> <li>• Information Security policy</li> <li>• Records Management policy</li> <li>• Use of removable media policy</li> <li>• Remote access policy</li> <li>• Social media policy</li> <li>• Information Asset register</li> <li>• Information Governance Policy</li> </ul>
<p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p>	<p>The Council is a signatory to the Kent &amp; Medway Information Sharing Agreement, which prescribes the procedures that are to be followed when sharing data with other public sector bodies in Kent.</p>
<p>Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p>	<p>An annual risk-based Internal Audit Plan is prepared to determine the priorities of the internal audit activity, consistent with the organisation's goals. The Plan aims to ensure that sufficient audit assurance work is carried out to enable the Chief Audit Executive to deliver an opinion regarding the adequacy and effectiveness of the internal control arrangements within the Council. Each audit review will cover data quality and accuracy relevant to the subject area.</p>
<p><b>6.5 Strong public financial management</b></p>	
<p>Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p>	<p>The Council's Financial Procedure Rules support the provision of high quality financial advice. The Council also acts in consultation with stakeholders. The Council's Internal Audit Service provides assurance on the quality of financial and performance data reported.</p> <p>The ongoing budget setting and monitoring process together with the Medium Term Financial Strategy supports the long-term achievement of outcomes and short-term financial and operational performance.</p>

Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Annual budgets are set with involvement from budget holders across all council services. The MTFS is set considering longer-term risks.
<b>7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>	
<b>7.1 Implementing good practice in transparency</b>	
Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	<p>The Council has implemented the mandatory and (where cost effective) recommended principles set out in the Local Government Transparency Code. The Council has set up a steering group which meets to discuss changes to the code and its ongoing implementation.</p> <p>Reports for both historic and prospective meetings of the Council and its committees and boards are made available to the public through the Council's website.</p> <p>Where possible, reports are written in a public-facing and non-technical manner. All reports (save those which are exempt as discussed above) are made public and can be accessed through the Council's website.</p>
Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	Where possible, reports are written in a public-facing and non-technical manner. All reports (save those which are exempt as discussed above) are made public and can be accessed through the Council's website.
<b>7.2 Implementing good practice in reporting</b>	
Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	<p>Annual Statement of Accounts report the Council's financial performance against the original estimate set for that financial year. The statement is prepared in accordance with the CIPFA Code for Local Authority Accounting.</p> <p>Included within the financial statements will be a judgement from the Council's external auditors on value for money and adequate use of resources.</p> <p>Included within the financial statements is the Annual Governance Statement this, is approved by Members and signed by the Chief Executive and Leader of the Council and provides evidence on the Councils adherence to the Code of Corporate Governance.</p>
Ensuring members and senior management own the results reported	The Annual Governance Statement is approved by the leader and Chief Executive,

	and the financial statements are considered and approved by Management Team and the Audit Committee.
Ensuring robust arrangements for assessing the extent to which the principles contained in the framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	Compliance is reviewed on an annual basis and reported to Audit Committee.
Ensuring that the framework is applied to jointly managed or shared service organisations as appropriate	Where appropriate, the principles will be applied to shared services.
Ensuring that performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparisons with other, similar, organisations.	Performance information is included as part of the budget setting process.
<b>7.3 Assurance and effective accountability</b>	
Ensuring that recommendations for corrective action made by external audit are acted upon	Responsibility for acting upon recommendations from external audit rests with the relevant service, and is monitored through individual service management teams and the corporate management team.
Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	The Council has an effective internal audit service, and an Audit Committee.
Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	The Council takes an active part in Peer Reviews.
Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	Risks are picked up through the contract monitoring process and reported through Audit Committee or a relevant advisory board
Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognized and met	Such arrangements are subject to public reports to each authority in the partnership. The Contracts Procedure Rules also ensure that standard contract terms are imposed ensuring proper accountability.

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