

Public Document Pack



Date: **1 December 2014**
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GOVERNANCE AND AUDIT COMMITTEE

10 DECEMBER 2014

A meeting of the Governance and Audit Committee will be held at **7.00 pm on Wednesday, 10 December 2014** in the Austen Room, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Worrow (Chairman); Councillors: Lodge-Pritchard (Vice-Chairman), Binks, Campbell, Day, Gibson, D Saunders, W Scobie and S Tomlinson

SUPPLEMENTARY AGENDA

Item
No

Subject

7. **ANNUAL GOVERNANCE STATEMENT ACTION PLAN** (Pages 1 - 4)
9. **GOVERNANCE FRAMEWORK AND LOCAL CODE OF CORPORATE GOVERNANCE**
(Pages 5 - 30)

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ANNUAL GOVERNANCE STATEMENT ACTION PLAN

To: **Audit & Governance Committee – 12 December 2014**

Main Portfolio Area: **Corporate Resources**

By: **Paul Cook, Director of Corporate Resources**

Classification: **Unrestricted**

Ward: **Thanet Wide**

Summary: **The purpose of the report is to introduce the annual governance statement action plan.**

For Decision

1.0 Introduction and Background

1.1 This is a covering report for the annual governance statement action plan for 2014/15. This Action Plan includes the significant corporate issues that were raised as part of the Peer Review report on the governance of the council by the Local Governance Association.

1.2 The Improvement Plan also reports on a number of significant corporate issues relating to potential financial risks associated with on-going corporate legal and staffing matters.

2.0 The Current Situation

2.1 There are a number of specific action points with specific tasks that have been identified in the Improvement Plan in Annex 1 to the report; that if implemented would address the key corporate risk concerns indicated above.

3.0 Options

3.1 Members may wish to comment on the proposed action points and offer suggestions.

3.2 Members may wish to only note the report.

4.0 Corporate Implications

5.1 Financial and VAT

5.1.1 There are no financial issues arising directly from this report.

5.2 Legal

5.2.1 There are no legal issues arising directly from this report.

5.4 Equity and Equalities

5.4.1 There are no equity and equalities issues arising directly from this report.

6.0 Recommendations

6.1 Members are requested to receive, comment and note the report.

6.2 Members' guidance is sought as regards Improvement Action Plan.

7.0 Decision Making Process

7.1 The Audit & Governance Committee can consider reports on corporate governance to ensure that appropriate governance procedures are being followed in managing the affairs of the Council.

Contact Officer:	Paul Cook, Director of Corporate Resources & s151 officer Ext 7167
Reporting to:	Madeline Homer, Acting CEx

Annex List

Annex 1	Improvement Plan Action Points
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation Undertaken

Finance	n/a
Legal	

Agenda Item 7

Annex 1

AGS significant issue	Suggested Action heading & owner	Task List	Update December 2014
The council needs to take forward the LGA's recommendations following the Peer Review to ensure that there are positive changes as part of the council's commitment to continuous improvement and to make the council a better organisation overall. An Improvement Board has subsequently been established with an independent chair, who is a former local authority Chief Executive. The Board also includes peer members; the LGA, Independent Standards Chair and Vice-Chair and TDC senior management. The first meeting of the board is in September 2014. The Board will receive updates on the Council's action plan to deliver the Peer Review.	Implement SMART actions from peer review action plan (Paul Cook)	<ol style="list-style-type: none"> 1. Establish Improvement Board 2. Agree SMART actions to deliver agreed peer review principles and identify owner of the peer review action plan; 3. Agree reporting intervals to Improvement Board based on reasonable periods for progress in data availability; 4. Establish system for monitoring progress against peer review action plans (InPhase). 	The Improvement Board is established and has met a number of times. There is Group Leader representation. Progress on the Peer Review Action Plan is discussed at every meeting.
Clarification is required on the council's top priorities detailing what is to be achieved and how it is going to do it, which is to be communicated to all Members, staff and stakeholders clearly and consistently.	Establish TDC's top priorities, and assign roles within an action plan, leading to more streamlined and focussed corporate planning (Paul Cook)	<ol style="list-style-type: none"> 1. SMT and Cabinet review the current corporate priorities together to establish focus for the short-term 2. Gather evidence to inform the development of a new Corporate Plan (2016-2020), including public consultation 3. Develop and approve the new Corporate Plan (2016-2020) 	The Cabinet has clarified its four priorities as Environment/Place; Housing; Economic Development and Communication. Information gathering for the new Corporate Plan has commenced.
Develop an understanding of the way leading politicians and senior officers can work together effectively, which should address ways to protect the council's reputation and improve the perception of the council with regard to trust, respect and visibility.	Effective Joint Working (Madeline Homer)	<ol style="list-style-type: none"> 1. Facilitated meeting between Cabinet and SMT to define roles and expectations 2. Review the officer-member protocol (see Risk register control measure) 	This is being progressed with the support of the Improvement Board. A proposed Member:Officer protocol will be considered at the January meeting of the Board.
Historically there has been a variable interpretation of the Council's flexi-time policy which has led to different approaches being taken by different managers. As a result of this, and the increased number of evening meetings in recent years, there is an ongoing issue of some officers regularly exceeding their contractual hours, with there being insufficient opportunity to recoup the additional hours through the flexi-time system; there has also been an expectation of senior managers to work outside of the flexi-time system. During 2013/14 we looked into this and made some changes as part of the staff restructure which are expected to have a positive impact on this position. We are now undertaking an audit of this position to understand the scale of any problem and to inform proposals to remedy them	<ol style="list-style-type: none"> a) Establish clearer practices to reduce levels of officer attendance at meetings; (Madeline Homer) b) Unify application of flexi-time policy (Charlie Greenway) 	<ol style="list-style-type: none"> 1. Define expectations for reduced officer attendance at meetings; 2. HR review of current practice and produce report appraising the main options for use of a flexi-time system; 3. HR facilitate managers forum discussion on use of flexi-time system to inform SMT decision; 4. SMT decision on use of flexi-time system. 	There is no expectation by management that staff will exceed their contractual hours. The issue has been discussed on a number of occasions with managers and no further action is required. It is considered this issue does not require further updates.
Following the restructure, there are interim appointments to the statutory roles of S151 officer and Monitoring Officer. Both of the officers appointed to those roles are experienced in the duties involved and they have been secured on medium term arrangements to provide stability. Owing to the Chief Executive being operationally absent from work at present the permanent Director of Community Services is acting as Chief Executive. These senior management changes could potentially have an impact on the governance of the council but securing the postholders for the medium term will mitigate that risk. The council has ensured that the appropriate delegations of authority are in place to reflect the interim arrangements and that decisions taken are reported appropriately. The council aims to appoint permanently to these positions as soon as market conditions and the Council's standing enable an effective recruitment process to take place. The posts were advertised in July 2014 without success and the position will be reviewed in October 2014.	Ensure delegations reflect interim arrangements and that recruitment is progressed. (Steven Boyle and Madeline Homer)	<ol style="list-style-type: none"> 1. Ensure that appropriate delegations of authority are in place to reflect the interim arrangements; 2. Appoint permanently to the positions of S151 officer and Monitoring Officer 	Delegations are routinely updated subject to Council approval. The Interim appointments have been extended to the end of the financial year. A recruitment initiative will commence in the new year.
The new staffing structure, and the anticipation of greater partnership working, brings new staff into contact with the council and its operating arrangements. An introduction process to the council should be planned for those staff that this affects.	Write an introduction to Thanet and the Council, with guide to Cecil Street & map of other main buildings (Hannah Thorpe)	<ol style="list-style-type: none"> 1. Draft a document for introduction to the Council, the building and the area; 2. Appoint reviewer, review and publish on TOM, with hard copy print option. 	This is provided on the Thanet DC website. It is not considered any further update is needed on this issue.
The existing staff induction processes are locally delivered and as a result lack consistency. A formal council-wide approach to the induction process is required to enhance new staff understanding of the council's political and operational arrangements.	Establish better staff induction process(es) that meet requirements of the Council (Charlie Greenway)	<ol style="list-style-type: none"> 1. Consult staff on - 'what do you think should be included in the induction process?' 2. Report with recommendations for sustainable induction process 3. Implement new sustainable induction process 	A standardised approach is in place, delivered locally by managers. It is not considered any further update is needed on this issue.
There are a number of large financial risks related to legal action in progress which although we are aware of, and have accounted properly for, remain a risk. These will be assigned to an officer to keep track of the issue as it moves through the legal process, to ensure that the level of financial risk is regularly reviewed by that officer, in consultation with appropriately qualified staff (particularly financial and legal), to ensure that the budgetary and accounting position remains as up to date and accurate as possible, and that this is regularly reported to Members as appropriate.	Provide assurance of ongoing review of levels of legal and financial risk arising from large current legal actions involving TDC (Paul Cook)	<ol style="list-style-type: none"> 1. Give regular updates to G&A on changes in level of legal risks associated with current legal actions 2. Give regular updates to G&A on changes in level of financial risks associated with current legal actions 	There are no significant changes to legal or financial risks from the position set out in the statement of accounts approved by the 24th September 2014 G&A meeting.

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LOCAL CODE OF CORPORATE GOVERNANCE

To: **Governance and Audit Committee – 10 December 2014**

Main Portfolio Area: **Corporate Resources**

By: **Paul Cook, Director of Corporate Resources**

Classification: **Unrestricted**

Ward: **Thanet Wide**

Summary: The purpose of the report is to introduce the Local Code of Corporate Governance document.

For Information and Decision

1.0 Introduction and Background

1.1 This report provides Governance and Audit Committee with the Governance Framework and Local Code of Corporate Governance annual review.

2.0 The Current Situation

2.1 The Governance Framework (version 9) has been reviewed and is attached at **annex 1**.

2.2 The Local Code of Corporate Governance (version 9) has been reviewed and is attached at **annex 2**.

2.3 Following approval of the reviewed documents they will be published on the council's website.

3.0 Options

3.1 That Members approve the reviewed Governance Framework (annex 1) and Local Code of Corporate Governance (annex 2).

3.2 That Members review and make changes to the Governance Framework and Local Code of Corporate Governance.

4.0 Corporate Implications

4.1 Financial and VAT

4.1.1 There are no financial implications arising directly from this report.

4.2 Legal

4.2.1 Local Authorities must be able to demonstrate compliance with the statutory principles of good governance. Local government has been undergoing significant change and the environment in which it works is increasing in complexity. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with control and the management of risk.

4.3 Corporate

- 4.3.1 The documents covered within this report contribute to the council's governance arrangements that lead to good management, good performance and good financial controls and enable us to engage with the public and ultimately demonstrate good outcomes for our community.
- 4.3.2 Failure to undertake these processes or review the attached document will impact on the council's approach to corporate governance, and our ability to demonstrate compliance with our own corporate processes.

4.4 Equity and Equalities

- 4.4.1 There are no equity or equalities issues arising from this report.

5.0 Recommendation

- 5.1 That Members approve the reviewed Governance Framework and Local Code of Corporate Governance (annexes 1 and 2).**

6.0 Decision Making Process

- 6.1 These recommendations do not involve the making of a key decision and may be taken by the Governance and Audit Committee.

Contact Officer:	Paul Cook, Director of Corporate Resources & s151 officer Ext 7167
Reporting to:	Madeline Homer, Acting CEx

Annex List

Annex 1	Governance Framework (version 9)
Annex 2	Local Code of Corporate Governance (version 9)

Background Papers

Title	Details of where to access copy
n/a	

Corporate Consultation Undertaken

Finance	n/a
Monitoring Officer / Legal	

Thanet District Council

Governance Framework

Version 9
December 2014



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Thanet District Council would like to acknowledge CIPFA / SOLACE in providing the 'Delivering Good Governance in Local Government' framework and guidance documents

Foreword

Good governance is important to all officers and members of Thanet District Council. It is a key responsibility for the Leader and Chief Executive, and it is also important for other Members of Cabinet, full Council and Senior Management Team, and in particular the Governance and Audit Committee who are responsible for monitoring and providing assurance on our governance arrangements.

Good management, good performance and good financial controls all lead to good governance, and enable us to engage with our public and ultimately demonstrate good outcomes for our community. We can pursue our ambitions as set out in the Corporate Plan 2012 - 2016 effectively, whilst demonstrating our governance principles and management processes through the Local Code of Corporate Governance.

The Local Code of Corporate Governance has been prepared in line with principles of the CIPFA / SOLACE framework Delivering Good Governance in Local Government, and will be reported on through an Annual Governance Statement showing the effectiveness of our current arrangements and any improvements that can be made for the future.

Councillor Iris Johnston
Leader of the Council

Madeline Homer
Acting Chief Executive

Introduction

Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance leads to:

- effective leadership
- good management,
- good performance,
- good stewardship of public money,
- good public engagement and,
- ultimately, good outcomes for our citizens and service users.

Good governance enables us to pursue our vision and corporate objectives effectively as well as underpinning these with mechanisms for the control and management of risk. Governance must be owned by all stakeholders, including senior management and members, thus forming the intrinsic core of the council. It should remain embedded in the culture of the council and applied within a transparent framework of legislative requirements, governance principles and management processes.

The Local Code defines the principles that underpin the governance of this authority. We will test our arrangements by:

- Reviewing our existing governance arrangements against the Local Code.
- Maintaining an up-to-date Local Code of Corporate Governance, including arrangements for ensuring its ongoing application and effectiveness.
- On an annual basis, prepare an Annual Governance Statement in order to report publicly on the extent to which we comply with the Local Code, including how we have monitored the effectiveness of our governance arrangements in the year, and on any planned changes in the coming period.

Principles behind Governance

The Cadbury Report (1992) identified three fundamental principles of corporate governance as:

Openness: An open approach is required to ensure all interested parties are confident in the organisation itself. Being open in the disclosure of information leads to effective and timely action and lends itself to necessary scrutiny.

Integrity: This is described as both straightforward dealing and completeness. It should be reflected in the honesty of an organisation's annual report and its portrayal of a balanced view. The integrity of reports depends on the integrity of those who prepare and present them which, in turn, is a reflection of the professional standards within the organisation.

Accountability: This is the process whereby individuals are responsible for their actions. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure.

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

The Nolan Committee (1995) identified and defined seven general principles of conduct which should underpin public life, and recommended that all public service bodies draw up codes of conduct incorporating these principles. These principles of public life are:

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and actions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

The Relevant Authorities (General Principles) order 2001 outlined three additional principles of conduct to those identified by the Nolan Committee:

Respect for others: Holders of public office should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law: Holders of public office should uphold the law, and on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship: Holders of public office should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

Effective Governance

An effective governance framework will demonstrate the following attributes:

- A clear vision of our purpose and intended outcomes for citizens and service users that is clearly communicated, both within the council and externally.
- Arrangements are in place to review our vision and its implications for our governance arrangements.
- Arrangements exist for measuring the quality of services for users, for ensuring they are delivered in accordance with our objectives and for ensuring that they represent the best use of resources.
- The roles and responsibilities of the executive, non-executive, scrutiny and officer functions are clearly defined and documented, with clear delegation arrangements and protocols for effective communication.
- Codes of conduct defining the standards of behaviour for members and staff are in place, conform with appropriate ethical standards, and are communicated and embedded across the organisation.
- Standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which are reviewed and updated as appropriate, clearly define how decisions are taken and the processes and controls required to manage risks.
- The core functions of the Governance and Audit Committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities* (2005), are undertaken by members.
- Arrangements exist to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. All reports are considered for legal issues before submission to members.
- Arrangements for whistleblowing and for receiving and investigating complaints from the public are in place and are well publicised.
- Arrangements exist for identifying the development needs of members and senior officers in relation to their strategic roles, and are supported by appropriate training.
- Clear channels of communication have been established with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Governance arrangements with respect to partnerships and other group working are reflected in the authority's overall governance arrangements.

Annual Governance Statement

Members, the Chief Executive, Directors, the Monitoring Officer, Internal Audit and managers across the authority will have a role to play in this process. The overall assurance given is not a pass or fail. It is a narrative statement pointing to the council's strengths and weaknesses.

The Annual Governance Statement will include the following information:

- an acknowledgement of our responsibility for ensuring there is a sound system of governance (incorporating the system of internal control);
- an indication of the level of assurance that the systems and processes that comprise our governance arrangements can provide;
- a brief description of the key elements of our governance framework, including reference to group activities where those activities are significant;
- a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements;
- an acknowledgement of the improvements that have been undertaken during the year;
- a plan of proposed actions to be taken, to deal with any significant governance issues.

Completion of the statement should flow from the normal business planning and review processes of the council, Governance and Audit Committee, Standards Committee, Overview and Scrutiny Panel and the planned work of Internal Audit. The Service Plan is one of the central mechanisms for each Director managing their own area of activity and therefore sits at the centre of the governance process.

Governance is integral to the whole business management process and not an add-on. Hence it uses existing documents and procedures and the risks and control framework. In particular, it links to performance reporting as good governance promotes good service but poor service performance reflects a failure of governance. Effective internal controls are an important part of the governance process. Through their audit assurance work, Internal Audit will provide an opinion on the effectiveness of the systems of internal control.

Annual Governance Statement Preparation

The Annual Governance Statement that the Leader and Chief Executive will be required to sign will be compiled from the following:

Internal Control Opinion

The Assurance Statement from the East Kent Audit Partnership, which will be compiled from the following evidence:

- The Internal Audit review of this council's governance arrangements;
- The Assurance Framework, built from the audit assurance statements on individual audits; and
- An assessment of the control and risk framework.

Governance and Internal Control Framework

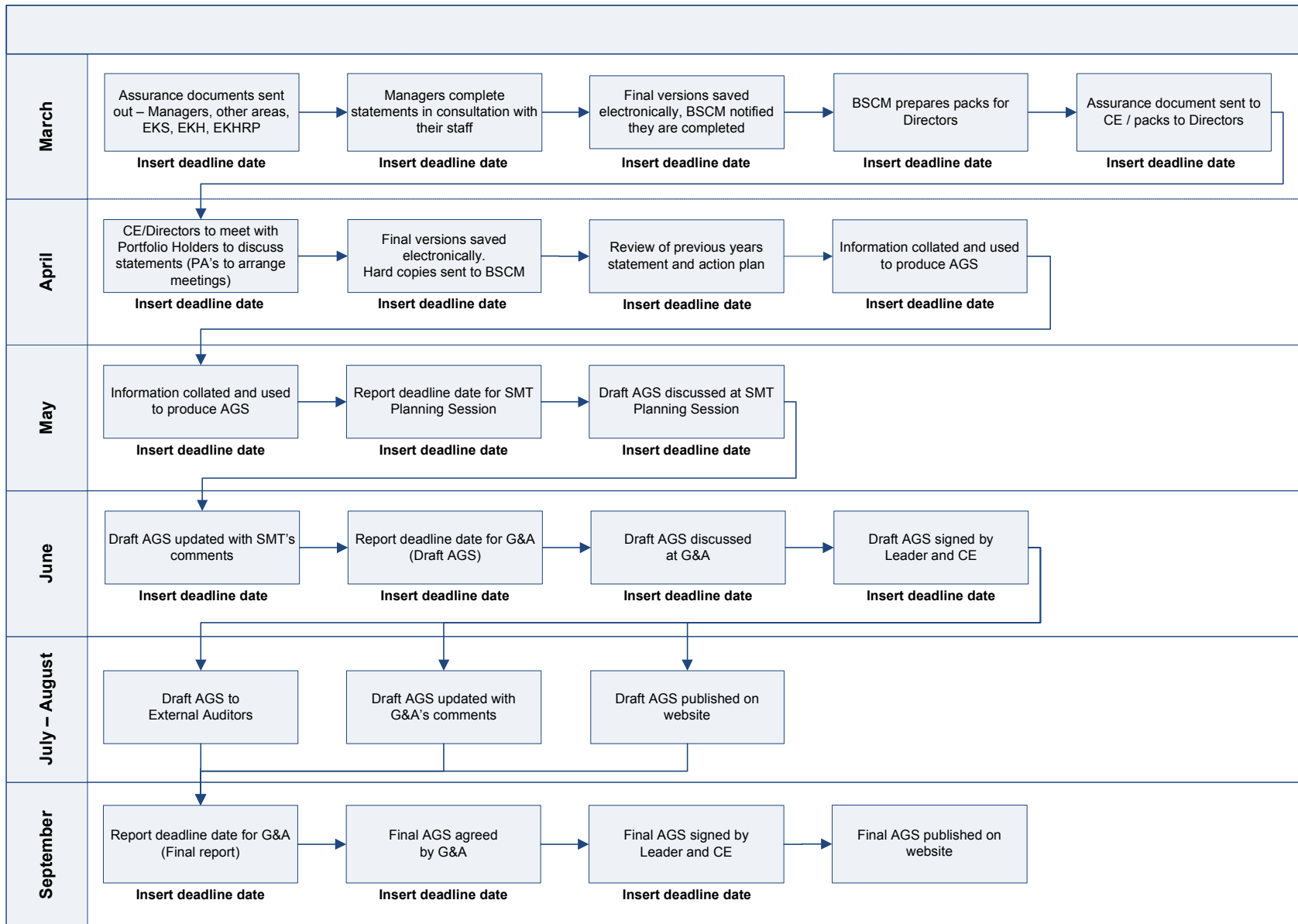
- Comments and recommendations from the Monitoring Officer and Section 151 Officer who have responsibility to oversee the operation of the governance framework and the Local Code of Corporate Governance; and contribute to the annual assessment process.
- Confirmation from Directors and Managers via an evidenced Managers Assurance Statement which has been discussed and approved by the Portfolio Holder.
- The Annual Reports from the Standards Committee, Overview and Scrutiny Panel and Governance and Audit Committee.
- The Legal Services Manager (Monitoring Officer) and Democratic Services and Scrutiny Manager on the council's annual review of the Constitution.
- The annual statement of the council's Monitoring Officer giving an opinion on the council's compliance with relevant laws and regulations, and its legal obligations and requirements.
- The annual statement of the Head of East Kent HR giving an opinion on compliance with policies and procedures with regard to the management of staff, staff conduct and ethical standards, sickness levels, training and health and safety.
- The annual statement of the Technical Finance Manager giving an opinion on compliance with the council's Risk Management Strategy.
- The Director of Corporate Resource's (Section 151 Officer) review of the Effectiveness of the council's Internal Audit arrangements

The Monitoring Officer and the S151 Officer will review the internal control opinion and principles framework evidence, including service assurance statements, the audit review of Corporate Governance, the Constitutional review, performance reporting, risk management arrangements and the individual audit and risk management assessments. This will ensure that all the necessary evidence is in place, there is consistency of reporting and that suitable action is being taken to address weaknesses.

The Draft Annual Governance Statement will be prepared, based on the internal control framework, core and supporting principles, internal and external reviews and audit evidence provided. This will be considered by the Senior Management Team, and then Governance and Audit Committee will provide the final review, evaluation and approval for signature by the end of June.

The Governance and Audit Committee will monitor the overall governance process and ensure that the process is robust and agreed actions identified are properly implemented. The final Annual Governance Statement will then be signed before the end of September by the Leader and Chief Executive based on a clear evidence trail.

Annual Governance Statement / Assurance gathering Process and Timetable



Annual Review and Reporting

The Section 151 Officer and Monitoring Officer have been given responsibility to oversee the implementation and monitor the operation of the Local Code of Corporate Governance, and through Corporate Management Team and the East Kent Audit Partnership will periodically review these arrangements and each will contribute to the annual assessment process. The review of our governance arrangements is an ongoing process.

Annually, there will be a review of the effectiveness of the council's system of internal control, which shall inform the Annual Governance Statement, which the Leader and Chief Executive will be required to sign.

The outcome of the annual review is reported internally to the Governance and Audit Committee, and externally through the Annual Governance Statement accompanying the published accounts, this provides an assurance that:

- governance arrangements are adequate and operating effectively in practice, and
- where the review has revealed gaps, action is planned that will ensure effective governance in future.

Following the annual review of the Governance Framework and Local Code of Corporate Governance all members and officers of the council will be notified through appropriate means, such as members briefings and staff development sessions, as examples.

Document History

Version	Date	Agreed by	Minute ref
V1	10 Nov 2004 20 Jan 2005 17 Feb 2005	Cabinet Standards Council	CR/74 75 84
V2	5 Nov 2007 12 Dec 2007 31 Jan 2008 21 Feb 2008	Governance Group Governance and Audit Committee Cabinet Council	GG/07-08/4 R189 C16 86
V3	10 Nov 2008 9 Dec 2008 12 Mar 2009 23 Apr 2009	Governance Group Governance and Audit Committee Cabinet Council	Gov05 (10/11/08) R191 54 30.
V4	16 Nov 2009 8 Dec 2009	Governance Group Governance and Audit Committee	Gov07 51.
V5	7 Dec 2010 13 Jan 2011	Governance Group Governance and Audit Committee	GOV04 117b
V6	8 Nov 2011 13 Dec 2011	Governance Board Governance and Audit Committee	6. 200.
V7	22 Nov 2012 11 Dec 2012	Senior Management Team Governance and Audit Committee	N/A 262.
V8	11 Dec 2013	Governance and Audit Committee	
V9	12 Dec 2014	Governance and Audit Committee	

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Thanet District Council

Local Code of Corporate Governance

Version 9
December 2014



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Thanet District Council would like to acknowledge CIPFA / SOLACE in providing the 'Delivering Good Governance in Local Government' framework and guidance documents

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

Supporting Principle: exercise strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcome for citizens and service users.	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> develop and promote the authority's purpose and vision 	<ul style="list-style-type: none"> Annual performance report Corporate Plan East Kent Chief Executives Individual service collaboration agreements and supporting SLA's for all East Kent Shared Services Managers Forum Local Code of Corporate Governance Medium Term Financial Plan Partnership Framework Service plans State of the District report Statement of Accounts Thanet Community Safety Plan Core values and behaviours Thanet Vision 2030 'Your Services – Your Council Tax' publication
<ul style="list-style-type: none"> review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements 	
<ul style="list-style-type: none"> ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners 	
<ul style="list-style-type: none"> publish annual accounts on a timely basis to communicate the authority's activities and achievements, its financial position and performance 	
Supporting principle: ensure that users receive a high quality of service whether directly, or in partnership or by commissioning	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available 	<ul style="list-style-type: none"> Annual performance report Appraisal process Corporate Performance Review Working Party Customer feedback system Monthly performance monitoring Performance Board Performance Management Framework Senior Management Team Service plans
<ul style="list-style-type: none"> put in place effective arrangements to identify and deal with failure in service delivery 	
Supporting principle: ensure that the authority makes best use of resources and that tax payers and service users receive excellent value for money	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Annual Audit Letter (External Audit) Audit reports Business Transformation programme Capital Investment Strategy Corporate Performance Review Working Party Corporate report consultation process External Funding Protocol Capital bids and programme Financial Procedure Rules Medium Term Financial Plan Performance Board
<ul style="list-style-type: none"> ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use 	

<ul style="list-style-type: none"> ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary 	<ul style="list-style-type: none"> Performance reporting Treasury Management Strategy Value for Money audits
<ul style="list-style-type: none"> ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code 	

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

<p>Supporting principle: ensure the effective leadership throughout the authority and being clear about Executive and Non-Executive functions and of the roles and responsibilities of the Scrutiny function</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Chief Executive Officer chairs Corporate Management Team meetings Chief Executive Officer job description Committee terms of reference Constitution Job descriptions / specifications Publication of Corporate Management Team pay and member allowances Record of decision making and supporting materials CMT Structure
<ul style="list-style-type: none"> set out a clear statement of the respective roles and responsibilities of other authority members, members generally, senior officers and of the leadership team and its members individually 	
<ul style="list-style-type: none"> ensure that the CFO reports directly to the chief executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact 	
<p>Supporting principle: ensure that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> determine a Scheme of Delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required 	<ul style="list-style-type: none"> Annual review of the effectiveness of the council's internal audit arrangements report Budget monitoring process Chief Executive Officer chairs Corporate Management Team meetings Codes of Conduct Constitution Contract with East Kent Audit Partnership Core values and behaviours Corporate Structure Financial Procedure Rules Financial Risk Assessment Gifts and hospitality register Internal Audit Plan
<ul style="list-style-type: none"> make a Chief Executive or equivalent responsible and accountable to the authority for all aspects of operational management 	
<ul style="list-style-type: none"> ensure that the authority's governance arrangements allow the CFO direct access to the CEO and to other leadership team members 	

<ul style="list-style-type: none"> ▪ develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained 	<ul style="list-style-type: none"> ▪ Internal Audits of financial systems ▪ Job descriptions / specifications ▪ Local Code of Corporate Governance ▪ Member / officer protocol ▪ Monitoring Officer provision ▪ Officer Employment Procedure Rules ▪ Performance management system ▪ Performance reporting ▪ Register of Interests ▪ Reports to members / officers on financial matters ▪ Scheme of Delegation ▪ Section 151 provision ▪ CMT/Cabinet ▪ Standing Orders ▪ Statutory reports ▪ Whistleblowing Code
<ul style="list-style-type: none"> ▪ make a senior officer (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 	
<ul style="list-style-type: none"> ▪ appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority 	
<ul style="list-style-type: none"> ▪ ensure that the CFO: <ul style="list-style-type: none"> ▪ leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively ▪ has a line of professional accountability for finance staff throughout the organisation 	
<ul style="list-style-type: none"> ▪ ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance 	
<ul style="list-style-type: none"> ▪ ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnerships arrangements, outsourcing or where the authority is acting in an enabling role 	
<ul style="list-style-type: none"> ▪ make a senior officer (usually the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with 	
<p>Supporting principle: ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> • develop protocols to ensure effective communication between members and officers in their respective roles 	<ul style="list-style-type: none"> ▪ Annual budget and Council Tax consultation ▪ Appraisal process ▪ Budget monitoring ▪ Collaboration agreements and supporting SLA's ▪ Core values and behaviours ▪ Corporate Plan
<ul style="list-style-type: none"> • 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) 	

<ul style="list-style-type: none"> ensure that effective mechanisms exist to monitor service delivery 	<ul style="list-style-type: none"> East Kent HR system / i-Trent East Kent HR Service Level Agreements Local indicators Medium Term Financial Plan Member / officer protocol Partnership Framework Partnership Register Pay and conditions policies and practices Performance Management Framework Performance reporting Public consultation Service plans Thanet Vision 2030
<ul style="list-style-type: none"> 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 	
<ul style="list-style-type: none"> establish a medium term business and financial planning process to deliver strategic objectives including: <ul style="list-style-type: none"> a medium terms financial strategy to ensure sustainable finances a robust annual budget process that ensures financial balance a monitoring process that enables this to be delivered 	
<ul style="list-style-type: none"> ensure that these are subject to regular review to confirm the continuing relevance of assumptions used 	
<ul style="list-style-type: none"> 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 	
<ul style="list-style-type: none"> when working in partnership: <ul style="list-style-type: none"> ensure that there is clarity about the legal status of the partnership ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions 	

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

Supporting principle: ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect 	<ul style="list-style-type: none"> Annual Governance Statement Anti-Fraud and Corruption Policy Appraisal process Codes of Conduct Core values and behaviours Customer feedback system Declaration of interest protocols Financial regulations Gifts and hospitality register Leadership programme Member / officer protocol Performance management system
<ul style="list-style-type: none"> ensure that standards of conduct and personal behaviour expected of members and staff, or work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols 	
<ul style="list-style-type: none"> put in place arrangements to ensure that members and employees of the authority 	

are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> ▪ Corporate Management Team ▪ Standing Orders ▪ Whistleblowing Code
Supporting principle: ensuring that organisational values are put into practice and are effective	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> • develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners 	<ul style="list-style-type: none"> ▪ Appraisal process ▪ Approved procedures and policies ▪ Audit reports ▪ Codes of Conduct ▪ Committee terms of reference ▪ Core values and behaviours ▪ Financial Procedure Rules ▪ Independent chair of Standards ▪ Internal audit check of compliance and approved procedures and policies ▪ Kent Compact ▪ Partnership Framework ▪ Managers Forum ▪ Professional body guidance documents (eg CIPFA) ▪ Regular reporting to the council ▪ Report template ▪ Staff and member development briefings ▪ Staff consultations ▪ Standards Committee annual report ▪ Thanet Compact
<ul style="list-style-type: none"> • 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 	
<ul style="list-style-type: none"> • ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice 	
<ul style="list-style-type: none"> • develop and maintain an effective Standards Committee 	
<ul style="list-style-type: none"> • use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority 	
<ul style="list-style-type: none"> • 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 	

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

Supporting principles: being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> • develop and maintain an effective Scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible 	<ul style="list-style-type: none"> ▪ Annual review of the effectiveness of the Governance and Audit Committee and Annual Report ▪ Codes of Conduct ▪ Customer feedback system ▪ Decision making protocols ▪ Declaration of interest protocols ▪ East Kent Audit Partnership's Balanced Scorecard ▪ Governance and Audit Committee terms of reference ▪ Overview and Scrutiny Panel annual report
<ul style="list-style-type: none"> • ensure an effective internal audit function is resourced and maintained 	
<ul style="list-style-type: none"> • develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based 	

<ul style="list-style-type: none"> • put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice 	<ul style="list-style-type: none"> ▪ Record of decision making and supporting materials ▪ Regular meetings between Chief Executive and External Audit ▪ Regular meetings between Director of Corporate Resources and Internal Audit ▪ Regular pre-meets between Chief Executive and Chair of Governance and Audit Committee ▪ Report of Ombudsmen findings ▪ Scrutiny Panel reports, minutes and working group papers ▪ Training Development Plan for members and officers ▪ Learning from complaints and comments
<ul style="list-style-type: none"> • develop and maintain an effective Audit Committee which is independent of the Executive and Scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee 	
<ul style="list-style-type: none"> • ensure that the authority’s governance arrangements allow the CFO direct access to the audit committee and external audit 	
<ul style="list-style-type: none"> • ensure that effective, transparent and accessible arrangements are in place for dealing with complaints 	
<p>Supporting principle: having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants / needs</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> • ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications 	<ul style="list-style-type: none"> ▪ Approved procedures and policies ▪ Article 12 – Officers ▪ Budget and Policy Framework Procedure Rules ▪ Budget monitoring ▪ Financial Procedure Rules ▪ Medium Term Financial Plan ▪ Member / officer protocol ▪ Partnership Framework ▪ Performance Board ▪ Performance reporting ▪ Report template ▪ Use of ‘legal’ and ‘financial’ implications in report
<ul style="list-style-type: none"> • ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority 	
<ul style="list-style-type: none"> • ensure that proper professional advice on matters that have legal and financial implications is available and recorded well in advance of decision making and used appropriately 	
<ul style="list-style-type: none"> • ensure the authority’s governance arrangements allow the CFO to bring influence to bear on all material decisions 	
<ul style="list-style-type: none"> • ensure that advice is provided on the levels of reserves and balances in line with good practice guidelines (LAAP – Local Authority Reserves and Balances) 	
<p>Supporting principle: ensuring that an effective risk management system is in place</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> • ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs 	<ul style="list-style-type: none"> ▪ Annual Audit Letter (External Audit) ▪ Annual Governance Statement ▪ Annual Internal Audit Report ▪ Authorised Signatory process ▪ Budget management devolvement ▪ Core values and behaviours ▪ Financial Procedure Rules ▪ Financial Services Team structure ▪ Medium Term Financial Plan ▪ Procurement Strategy
<ul style="list-style-type: none"> • ensure the authority’s arrangements for financial and internal control and for managing risk are addressed in annual governance reports 	

<ul style="list-style-type: none"> ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval process 	<ul style="list-style-type: none"> Risk Management Process Risk Management Strategy Senior Management Team Treasury Management Strategy Up to date risk register Whistleblowing Code
<ul style="list-style-type: none"> ensure that effective arrangements for whistleblowing are in place to which officers, staff and all those contracting with or appointed by the authority have access 	
<p>Supporting principle: using their legal powers to the full benefit of the citizens and communities in their area</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities 	<ul style="list-style-type: none"> Constitution Job descriptions / specifications Monitoring Officer provision Section 151 provision Standing Orders
<ul style="list-style-type: none"> recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law 	
<ul style="list-style-type: none"> 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 administrative law - rationality, legality and natural justice - into their procedures and decision making process 	

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

<p>Supporting principle: making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis 	<ul style="list-style-type: none"> Appointment process Appraisal process Director of Corporate Resources job description Competency Framework Continual Professional Development Financial Procedure Rules Financial Services Team structure Induction programme Job descriptions / specifications Personal Development Plans Post Entry Training Service plans Staff and member development briefings Talent management programme Training Development Plan for members
<ul style="list-style-type: none"> ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority 	
<ul style="list-style-type: none"> ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role 	
<ul style="list-style-type: none"> review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised 	

<ul style="list-style-type: none"> provide the finance function with the resources, expertise and systems necessary to perform its role effectively 	and officers
Supporting principle: developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively 	<ul style="list-style-type: none"> Appraisal process Financial Procedure Rules Governance and Audit Committee training sessions Job description template Member role descriptions Performance management system Training Development Plan for members and officers
<ul style="list-style-type: none"> embed financial competencies in person specifications and appraisals 	
<ul style="list-style-type: none"> ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities 	
<ul style="list-style-type: none"> develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed 	
<ul style="list-style-type: none"> ensure that effective arrangements are in place for reviewing the performance of the Executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs 	
Supporting principle: 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 council is required to:	We will do this through the following:
<ul style="list-style-type: none"> ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority 	<ul style="list-style-type: none"> Change management programme Equality Impact Assessments Leadership programme Partnership Framework Public consultation process Social media
<ul style="list-style-type: none"> ensure that career structures are in place for members and officers to encourage participation and development 	

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

Supporting principle: exercising leadership through a robust Scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develop constructive accountability relationships	
The council is required to:	We will do this through the following:
<ul style="list-style-type: none"> make clear to themselves, all staff and the community to whom they are accountable and for what 	<ul style="list-style-type: none"> Committee terms of reference Constitution Overview and Scrutiny annual report
<ul style="list-style-type: none"> consider those institutional stakeholders to 	

<p>whom they are accountable and assess the effectiveness of the relationship and any changes required</p>	
<ul style="list-style-type: none"> produce an annual report on the activity of the Scrutiny function 	
<p>Supporting principle: 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</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<ul style="list-style-type: none"> ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively 	<ul style="list-style-type: none"> Annual performance report Communication Strategy Constitution Corporate Plan Equality Impact Assessments Freedom of Information process Internet protocol Local Code of Corporate Governance Medium Term Financial Plan Partnership Framework Processes for dealing with competing demands within the community Public consultation Public meetings Publication Scheme Residents panels Social media Statement of Accounts
<ul style="list-style-type: none"> hold meetings in public unless there are good reasons for confidentiality 	
<ul style="list-style-type: none"> ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands 	
<ul style="list-style-type: none"> establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result 	
<ul style="list-style-type: none"> 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 	
<ul style="list-style-type: none"> 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 	
<p>Supporting principle: making best use of human resources by taking an active and planned approach to meet responsibility to staff</p>	
<p>The council is required to:</p>	<p>We will do this through the following:</p>
<p>develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</p>	<ul style="list-style-type: none"> Communication Strategy Employee Council terms of reference Trade Union recognition agreement Workforce Forum

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