



**Annual  
Governance  
Statement**

**2016/17**

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The Annual Governance Statement reports publicly on the extent to which the Council has to comply with its code of governance on an annual basis, including how the Council has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

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## **1. SCOPE OF RESPONSIBILITY**

1.1 Waveney District Council's responsibilities are to:

- ensure its business is conducted in accordance with the law and proper standards;
- safeguard and properly account for public money;
- use public money economically, efficiently and effectively; and
- meet our duty under the Local Government Act 2000 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 To achieve this, the Council must put in place proper arrangements for the governance of its affairs, to facilitate the effective exercise of its functions which includes arrangements for the management of risk.

1.3 Waveney District Council has produced a [Code of Corporate Governance](#), which is consistent with the principles of the revised CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Code was reviewed and revised in May 2016 and was approved by Audit & Governance Committee at its 20<sup>th</sup> June 2016 meeting.

1.4 This Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations as amended.

## **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

2.1 The governance framework is the systems, processes, culture and values which direct and control the Council. The framework also includes the activities with which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.2 The system of internal control is a significant part of that framework. It is designed to manage risk to a reasonable level. This is an ongoing process:

- to identify and prioritise risks to the achievement of the Council's policies, aims and objectives;
- to evaluate the likelihood of those risks occurring and the impact if they do; and
- to manage risks efficiently, effectively and economically.

2.3 The system of internal control cannot eliminate all risk of failure so only provides reasonable and not absolute assurance of effectiveness.

2.4 The governance framework has been in place at the Council for the year ended 31<sup>st</sup> March 2017 and up to the date of approval of the annual report and statement of accounts.

### 3. THE GOVERNANCE FRAMEWORK

- 3.1 The Council has committed itself to the pursuit of proper corporate governance throughout its services and to establishing the principles and practices by which this can be achieved. To support this, briefings on topical issues are held to enable Member development.
- 3.2 Corporate governance is the system by which the Council leads, directs and controls its functions and relates to the community and its partners. Through various systems and processes the Council strives to adhere to the principles of good governance: openness, inclusivity, integrity, and accountability.
- 3.3 The Council's governance environment is consistent with the seven core principles of the revised CIPFA/SOLACE framework, pictured below, which illustrates the various principles of the good governance in the public sector and how they relate to each other.

**Extract from CIPFA/SOLACE 'Delivering Good Governance in Local Government' entitled 'Achieving the Intended Outcome while Acting in the Public Interest at all Times'**



- 3.4 Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.
- 3.5 Each of the core principles above has supporting principles to further explain the purpose of the core principle. The supporting principles are provided in Appendix A.
- 3.6 Appendix B details all the supporting evidence and processes for the Corporate Governance Assurance Framework which embeds the core principles and, where applicable, hyperlinks to corporate documents have been provided.

#### **4. REVIEW OF EFFECTIVENESS**

##### **Governance**

- 4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Heads of Service within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Auditor's annual report, and also by comments made by the External Auditors and other review agencies and inspectorates.
- 4.2 The flowchart at Appendix C explains the governance assurance framework, starting from the Council's Framework policy to the Annual Governance Statement being published.

##### **Audit**

- 4.3 A sound system of internal control and the management of risks are integral parts of the Council's corporate governance arrangements. As a consequence the Council's external auditors can place greater reliance on the outcomes of the work undertaken by the Internal Audit Team. Internal Audit has completed successfully its approved audit plan for the year and made recommendations as appropriate. The Audit & Governance Committee monitors the progress against agreed actions and recommendations and will request officers report back on overdue recommendations. There still remain a small number of recommendations relating to 2016/17 that are overdue for completion at the year-end; these are continually monitored by Internal Audit and where necessary are considered by CMT as part of the regular Corporate Governance Days. It is planned that the recommendations will be fully implemented during 2017/18.
- 4.4 The Council continued to strengthen its internal control systems by addressing the issues raised. No recommendations were made by the External Auditor as part his Audit Results Report in 2015/16.

##### **Risk Management**

- 4.5 Risk Management covers all services and operations throughout the Council and is continuously monitored and managed across both Councils by the joint Corporate Risk Management Group (CRMG). The CRMG meets at least every quarter as part of Corporate Governance meetings to review the joint corporate risk register. Corporate risks continue to be fully integrated into the Council's overall performance management which is considered quarterly by Cabinet and reviewed by the Audit & Governance Committee.
- 4.6 During 2016/17, the new risk management e-learning module was rolled out for all staff and Members to complete as a mandatory training session. Further risk management training is being undertaken by Zurich Municipal during 2017/18 with them undertaking Horizon Scanning with the Corporate Management Team in July 2017 and refreshing their risk management training to Members and officers during February 2018.
- 4.7 The Council continues to promote the understanding of risk at all levels (developing a toolkit, e-learning module, manager training and support), as the responsibility for managing risks is not restricted to one area or person but to every Member and Officer. The Council's risk management activity is co-ordinated and led by the CRMG, chaired by a Strategic Director and supported by members of CMT and other senior officers.
- 4.8 The joint Risk Management process was considered by the Audit and Governance Committees of both councils during the year. The Risk Management Strategy continues to provide details of risk management roles and the responsibilities of individuals and groups across both councils.
- 4.9 The combined Corporate Risk Register identifies those risks, along with the controls that are in place to prevent them, and proposals for improvement and mitigation. These continue to be reviewed on a rolling programme through CRMG and Audit and Governance Committee. The performance of all corporate risks is also included within the quarterly East Suffolk Performance Reports.

##### **Project Management**

- 4.10 Following the introduction of a shared project management methodology, training continues to be provided as part of the core corporate governance training for all managers and this is to be reviewed and refreshed with Zurich Municipal in October 2017. Advice and support is offered to relevant staff on the application of good project practices, particularly surrounding changes in service delivery. All projects are recorded on Service Plans, which are combined into a joint Corporate Project Register which is considered at Corporate

Management Team to ensure that projects are effectively managed and any significant risks arising can be addressed corporately.

- 4.11 Project groups combining members and officers were established to manage the Council's large capital projects. These project groups ensured adequate contract management was occurring and allowed fast reaction to any project issues if they occurred.

### **Contract Management**

- 4.12 Joint contract procedure rules have been rolled out across both Councils. Training has been delivered and will continue to be delivered by the procurement and legal teams at both sites, for any officer to attend. Guidance is published on the intranet, and support is offered by the specialist procurement and legal teams to relevant managers. A corporate contracts register is maintained by the Procurement team, published on the intranet and considered as part of Corporate Governance Days, so that senior managers can monitor that contracts are being effectively managed.

- 4.13 In light of the contract management weaknesses highlighted in 2015/16, Zurich Municipal has been asked to undertake a review of contract management within the Council through:

- discussions with senior officers, procurement and legal; and
- sample review of contracts.

- 4.14 Zurich will then provide training to contract managers based on their findings.

### **Designated Officer Group**

- 4.15 Membership of the Designated Officer Group is those officers that hold statutory roles within the Council, such as Head of Paid Service, Monitoring Officer, Section 151 Officer and Head of Internal Audit. The group meets regularly to discuss management of:

- finances and governing business (value for money / Medium Term Financial Strategy (MTFS) and budget setting / risk management / internal audit / ethical issues / business continuity);
- resources (workforce planning / recruitment monitoring / absences / health & safety / asset management); and
- performance (inspections / business plan / service plans / partnerships / measuring performance / emerging issues).

### **Head of Internal Audit Opinion**

- 4.16 The Head of Internal Audit Opinion states that **reasonable assurance** can be placed upon the adequacy and effectiveness of the Council's systems of governance, risk management and internal control in the year to 31<sup>st</sup> March 2017. The Head of Internal Audit has highlighted the following areas where control weaknesses were identified and improvement required.

- Contract Management – The Council's governance arrangements over contracts continues to improve but requires strengthening.
- Asset Management – The Council's Asset Management Strategy and information database requires consolidation.

- 4.17 In addition to these two areas, the Head of Internal Audit makes reference to the challenge from an audit perspective, as recognised by management, remains the financial context in which the Council is required to operate. The impact of delivering the further programme of savings will impact upon all areas of the business and its control and governance environment. There is extensive planning and ongoing consultation on the budget proposals and programmes for transformation are being set in business plans. Whilst the Council is experienced in delivering change and financial savings, the required change remains a fundamental risk.

- 4.18 All the issues raised by the Head of Internal Audit have been incorporated within the Council's Annual Governance Statement, which will be presented to the Audit and Governance Committee and Council.

- 4.19 In continuing to strengthen the internal control arrangements regular and routine review and sign off by the Chief Finance Officer / Deputy s151 Officer of all key control accounts reconciliations was undertaken to ensure timely monitoring of key transactional activities.

### **Financial Management**

- 4.20 During 2017/18, the Council's joint financial procedure rules with Suffolk Coastal District Council will be refreshed with a view to aligning them completely as the Council prepares for the creation of the new East Suffolk Council from 1<sup>st</sup> April 2019.
- 4.21 The Government has announced proposals for Councils to retain all locally raised business rates in 2019/20, and to end the distribution of core grant from central Government. These proposals are subject to development by the Government in consultation with local government stakeholders. Significant changes have also been implemented for the New Homes Bonus (NHB), which have had a major impact, and the introduction of a multi-year Government grant settlement has also seen large reductions in this funding up to and including 2019/20.
- 4.22 Overall, these, and other, recent developments will fundamentally change the Local Government Finance environment, which is now characterised by an increased shift towards locally-generated resources, with an accompanying transfer of both risk and opportunity. The MTFS reported to Council in February 2017 indicates that future years beyond 2017/18 show continuing budget shortfalls of funding sources compared with budgeted expenditure, although major improvements have been made to the Council's financial position in recent years.
- 4.23 This outlook highlights the importance of continuing to develop and implement entrepreneurial and commercial models, efficiencies and some key changes to service provision, in order to be sustainable over the medium term.

### **Chief Finance Officer**

- 4.24 In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government (published in April 2016), the Section 151 Officer / Chief Financial Officer, is a professionally qualified member of both the Association of Chartered Certified Accountants (ACCA) and CIPFA, and is a member of the Council's Corporate Management Team, reporting directly to the Chief Executive and the Leader on all key Strategic finance matters. In addition this post is a member of the Designated Officer Group, chaired by the Chief Executive; it comprises the statutory officers that represent both Councils. The Council's financial management arrangements conform with the governance requirements of the CIPFA [Statement on the Role of the Chief Financial Officer in Local Government](#). The document is available on the CIPFA website.

## 5. SIGNIFICANT GOVERNANCE ISSUES

- 5.1 In arriving at the areas to address during 2017/18, the Council has been informed by the results of the review of the effectiveness of the governance framework within the Council arising from last year's reports, by the outcomes of internal and external review bodies that report on the Council's performance to date, by undertaking a gap analysis of the seven core principles that underpin delivering good governance in local government, and by consulting Members.
- 5.2 The 2015/16 Annual Governance Statement included two governance improvement actions, of which one concerning the Business Continuity Plan has been successfully completed and positive movement has taken place on elements of the other area around Contract Management during the last financial year. The first action below has not completed during the year and has been rolled-over to be addressed in 2017/18, along with one new area:

Agreed Areas to Address	Responsibility	Priority
Contract Management – governance arrangements over contract management continues to improve but requires strengthening.	Corporate Management Team	High
Asset Management - the Council's Asset Management Strategy and information database requires consolidation.	Head of Operations	High

- 5.3 Appendix D contains seven planned improvement areas which were carried forward from last year. Progress against these specific areas is that one has been actioned (completed/closed) with six remaining open.
- 5.4 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Post	Signature	Date
Mark Bee Leader of the Council		14 <sup>th</sup> September 2017
Stephen Baker Chief Executive		14 <sup>th</sup> September 2017



## The Seven Core Principles of Good Governance with their sub-principles

### A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

#### A.1 Behaving with integrity

- a) 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 organisation.
- b) Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).
- c) Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
- d) 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.

#### A.2 Demonstrating strong commitment to ethical values

- a) Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
- b) Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- c) Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- d) Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.

#### A.3 Respecting the rule of law

- a) Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
- b) 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.
- c) Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
- d) Dealing with breaches of legal and regulatory provisions effectively.
- e) Ensuring corruption and misuse of power are dealt with effectively.

### B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

#### B.1 Openness

- a) Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
- b) 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.
- c) 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.
- d) Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

## **B.2 Engaging comprehensively with institutional stakeholders**

- a) Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
- b) Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- c) Ensuring that partnerships are based 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.

## **B.3 Engaging stakeholders effectively, including individual citizens and service users**

- a) Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
- b) Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.
- c) Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- d) Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
- e) Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
- f) Taking account of the interests of future generations of tax payers and service users.

## **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

### **C.1 Defining outcomes**

- a) Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
- b) 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.
- c) Delivering defined outcomes on a sustainable basis within the resources that will be available.
- d) Identifying and managing risks to the achievement of outcomes.
- e) Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available.

### **C.2 Sustainable economic, social and environmental benefits**

- a) Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
- b) 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.
- c) 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.
- d) Ensuring fair access to services.

## **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed to ensure that achievement of outcomes is optimised.

### **D.1 Determining interventions**

- a) Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.
- b) 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.

### **D.2 Planning interventions**

- a) Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- b) Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- c) Considering and monitoring risks facing each partner when working collaboratively including shared risks.
- d) Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
- e) Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- f) Ensuring capacity exists to generate the information required to review service quality regularly.
- g) Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.
- h) Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

### **D.3 Optimising achievement of intended outcomes**

- a) Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- b) Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- c) 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 optimising resource usage.
- d) Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".

## **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

### **E.1 Developing the entity's capacity**

- a) Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.

## **E.1 Developing the entity's capacity (continued)**

- b) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
- c) Recognising the benefits of partnerships and collaborative working where added value can be achieved.
- d) Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

## **E.2 Developing the capability of the entity's leadership and other individuals**

- a) 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.
- b) Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.
- c) Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
- d) Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
  - ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged;
  - ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis;
  - ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external .
- e) Ensuring that there are structures in place to encourage public participation.
- f) Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- g) Holding staff to account through regular performance reviews which take account of training or development needs.
- h) 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.

## **F. Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

### **F.1 Managing risk**

- a) Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
- b) Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
- c) Ensuring that responsibilities for managing individual risks are clearly allocated.

## **F.2 Managing performance**

- a) Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
- b) Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
- c) Ensuring an effective scrutiny or oversight function is in place which encourages 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 organisation for which it is responsible.
- d) Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
- e) Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

## **F.3 Robust internal control**

- a) Aligning the risk management strategy and policies on internal control with achieving the objectives.
- b) Evaluating and monitoring the authority's risk management and internal control on a regular basis.
- c) Ensuring effective counter fraud and anti-corruption arrangements are in place.
- d) Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
- e) Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:
  - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and
  - that its recommendations are listened to and acted upon.

## **F.4 Managing data**

- a) Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- b) Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
- c) Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

## **F.5 Strong public financial management**

- a) Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.
- b) Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

## **G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### **G.1 Implementing good practice in transparency**

- a) Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- b) 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.

### **G.2 Implementing good practices in reporting**

- a) Reporting at least annually on performance, value for money and the stewardship of its resources.
- b) Ensuring members and senior management own the results.

## **G.2 Implementing good practices in reporting (continued)**

- c) 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 (annual governance statement).
- d) Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
- e) Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

## **G.3 Assurance and effective accountability**

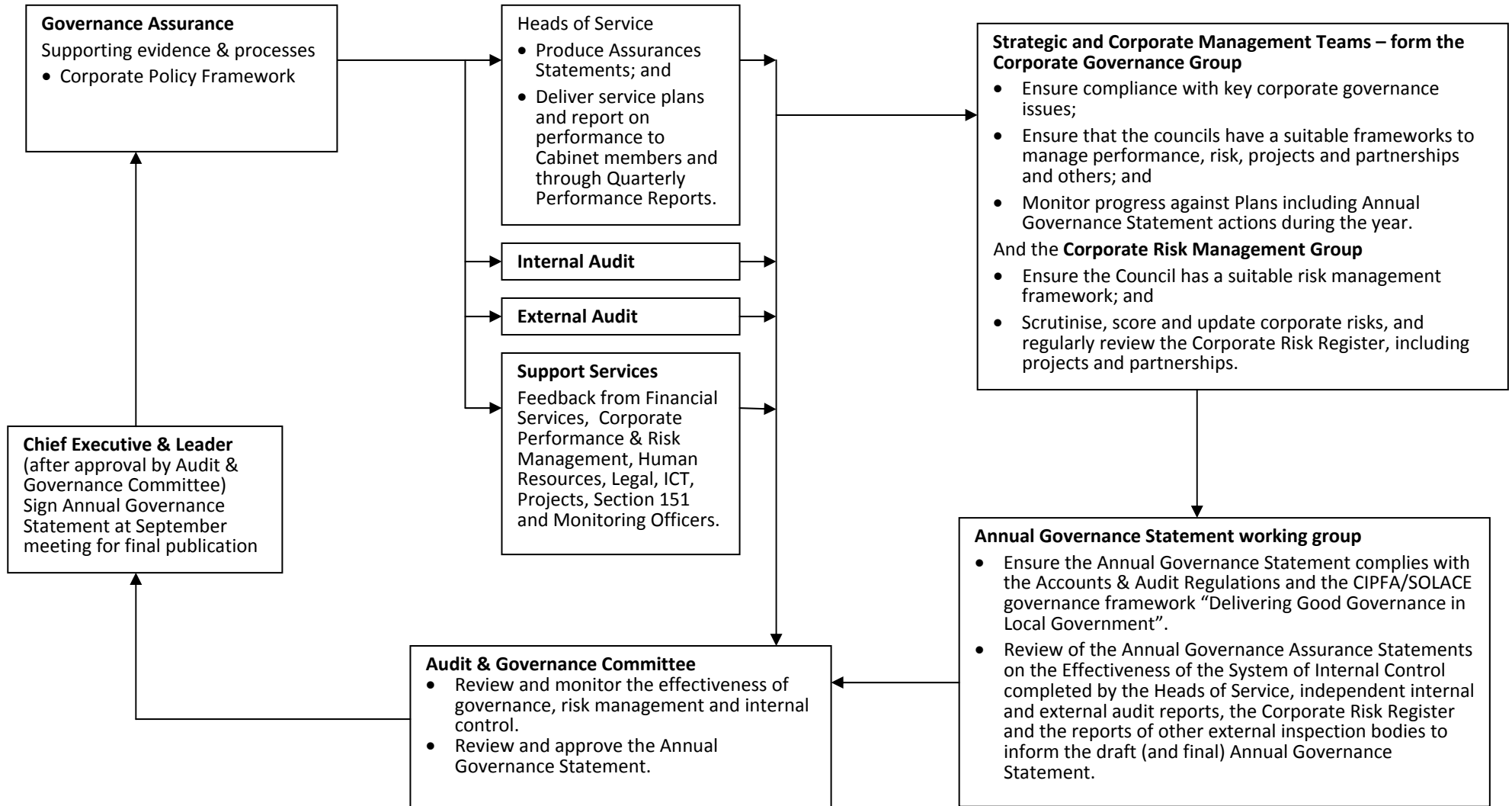
- a) Ensuring that recommendations for corrective action made by external audit are acted upon.
- b) Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.
- c) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
- d) Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
- e) Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

**GOVERNANCE ASSURANCE CORPORATE FRAMEWORK  
SUPPORTING THE SEVEN CORE PRINCIPLES**

<ul style="list-style-type: none"> <li>• <a href="#">Access and Customer Care Strategy (2015 to 2019)</a></li> <li>• <a href="#">Air Quality Consultation</a></li> <li>• <a href="#">Annual audit letters</a></li> <li>• <a href="#">Annual Governance Statement</a></li> <li>• <a href="#">Anti-Bribery Policy and Procedure</a></li> <li>• <a href="#">Anti Money Laundering Policy</a></li> <li>• <a href="#">Anti Fraud and Corruption Strategy</a></li> <li>• <a href="#">Assurance Statements</a></li> <li>• <a href="#">Audit &amp; Governance Committee</a></li>   <li>• <a href="#">Budget process</a></li> <li>• <a href="#">Business case appraisal process</a></li> <li>• <a href="#">Business Continuity Plan</a></li>   <li>• <a href="#">Capital Programme 2016/17 to 2019/2020</a></li> <li>• <a href="#">Capital Strategy</a></li> <li>• <a href="#">Code of Corporate Governance</a></li> <li>• <a href="#">Corporate Governance Group</a></li> <li>• <a href="#">Committee reports, agendas and minutes</a></li> <li>• <a href="#">Compliance and Enforcement Policy</a></li> <li>• <a href="#">Contaminated Land Strategy</a></li> <li>• <a href="#">Contracts Register</a></li> <li>• <a href="#">Corporate Risk Register</a></li> <li>• <a href="#">Competency frameworks (part of Managing Performance – people – framework)</a></li> <li>• <a href="#">Complaints process</a></li>   <li><b><u>Constitution</u></b></li>   <li>- <a href="#">Part 2: Functions and responsibilities of senior officers and councillors</a></li> <li>- <a href="#">Part 2: Terms of reference for committees</a></li> <li>- <a href="#">Part 3: Scheme of Delegation</a></li> <li>- <a href="#">Part 4: Procedure rules (contracts, financial, employment, meetings)</a></li> <li>- <a href="#">Part 4: Scrutiny framework</a></li> <li>- <a href="#">Part 5: Members' Code of Conduct</a></li> <li>- <a href="#">Part 5: Officers' code of conduct</a></li> <li>- <a href="#">Part 5: Protocol on member / officer relations</a></li> <li>- <a href="#">Part 6: Members' Allowances Scheme</a></li> <li>• <a href="#">Council newsletter</a></li> <li>• <a href="#">Council website</a></li> <li>• <a href="#">Customer feedback process</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Data Protection Policy</a></li> <li>• <a href="#">Data Quality Strategy</a></li> <li>• <a href="#">Digital Strategy</a></li>   <li>• <a href="#">East Suffolk Business Plan</a></li> <li>• <a href="#">East Suffolk Growth Plan</a></li> <li>• <a href="#">East Suffolk Partnership priorities</a></li> <li>• <a href="#">East Suffolk People Strategy</a></li> <li>• <a href="#">East Suffolk Quarterly Performance Reports</a></li> <li>• <a href="#">Efficiency Plan</a></li> <li>• <a href="#">Enabling Community Fund</a></li> <li>• <a href="#">Enabling Communities Delivery Plan</a></li> <li>• <a href="#">Equality &amp; diversity policies</a></li> <li>• <a href="#">External audit (and other reviews)</a></li>   <li>• <a href="#">Financial services</a></li> <li>• <a href="#">FOI and EIR request performance statistics</a></li>   <li>• <a href="#">Head of Internal Audit</a></li> <li>• <a href="#">Head of Paid Service</a></li> <li>• <a href="#">Health and Safety Officer</a></li> <li>• <a href="#">Human Resources</a></li> <li>• <a href="#">Health and Safety Policy</a></li> <li>• <a href="#">Health and Safety policies</a></li> <li>• <a href="#">Homelessness Strategy</a></li>   <li>• <a href="#">ICT strategy and action plan</a></li> <li>• <a href="#">Independent remuneration panel</a></li> <li>• <a href="#">Internal audit</a></li>   <li>• <a href="#">JNC terms &amp; conditions</a></li> <li>• <a href="#">Job evaluation process</a></li> <li>• <a href="#">Job descriptions</a></li> <li>• <a href="#">Joint Emergency Response Plan</a></li> <li>• <a href="#">Joint Environmental Policy</a></li>   <li>• <a href="#">Key decisions</a></li> <li>• <a href="#">Law &amp; governance</a></li> <li>• <a href="#">Licensing Policy</a></li> <li>• <a href="#">Local Plan</a></li> <li>• <a href="#">Local Enterprise Partnership</a></li> <li>• <a href="#">Local Government Ombudsman (report)</a></li>   <li>• <a href="#">Managing performance (people) framework (including appraisal process)</a></li> <li>• <a href="#">Medium Term Financial Strategy</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Member training</a></li> <li>• <a href="#">Member Communication Guidelines</a></li> <li>• <a href="#">Member Development Strategy</a></li> <li>• <a href="#">Monitoring Officer</a></li> <li>• <a href="#">Neighbourhood Plans</a></li> <li>• <a href="#">Our Values</a></li>   <li>• <a href="#">Partnership framework</a></li> <li>• <a href="#">Pay Policy Statement</a></li> <li>• <a href="#">People Strategy</a></li> <li>• <a href="#">Performance Management (business) framework (including service plans)</a></li> <li>• <a href="#">Procurement Forward Plan</a></li> <li>• <a href="#">Procurement regulations</a></li> <li>• <a href="#">Procurement Strategy</a></li> <li>• <a href="#">Prudential code</a></li> <li>• <a href="#">Publication Scheme</a></li> <li>• <a href="#">Freedom of Information</a></li> <li>• <a href="#">Record of decisions</a></li> <li>• <a href="#">Record Retention Policy</a></li> <li>• <a href="#">Recruitment Policy</a></li> <li>• <a href="#">Register of Councillors' interest</a></li> <li>• <a href="#">Risk management process</a></li> <li>• <a href="#">Risk Management Strategy</a></li>   <li>• <a href="#">S151 officer</a></li> <li>• <a href="#">Salary scales</a></li> <li>• <a href="#">Senior management remuneration report</a></li> <li>• <a href="#">Service plans</a></li> <li>• <a href="#">Staff surveys</a></li> <li>• <a href="#">Social Media Enterprise Project</a></li> <li>• <a href="#">Social Value Policy</a></li> <li>• <a href="#">Statement of Accounts</a></li> <li>• <a href="#">Suffolk Code of Conduct</a></li> <li>• <a href="#">Suffolk Growth Strategy</a></li> <li>• <a href="#">Tenancy Strategy</a></li> <li>• <a href="#">Timetable of council meetings</a></li> <li>• <a href="#">Transparency publications</a></li> <li>• <a href="#">Training programs</a></li> <li>• <a href="#">Treasury Management Investment Strategy</a></li> <li>• <a href="#">Treasury Management Policy Statement</a></li> <li>• <a href="#">Waveney Cycle Strategy</a></li> <li>• <a href="#">Whistleblowing Policy</a></li> <li>• <a href="#">Workforce development and plans</a></li> </ul>
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**Key** [Hyperlink to information on internet](#)    **Processes**    **Internal use**

# The Council's Governance Assurance Framework





## Annual Governance Statement – Progress against planned improvements

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law (previously Principle 3)</b>	
Review the values of the organisation.	<p><b>Closed.</b> Review of appraisal process has been completed and is due to be rolled out very soon. More emphasis on performance management and to be clear on future objectives.</p> <p>A natural work team has develop new coporate values to contribute to a more performance focused culture and these values have been promoted via the Council’s ‘YouTube’ channel and via internal communications.</p>
Continuous review of internal communications regarding understanding of members/officers roles.	<p><b>Open (ongoing).</b> Regular meetings have, and will continue, to be held between Heads of Service and Communications Managers. Communications Managers have also attended team meetings. Members have also been provided with training/workshops on communications, including the Communication Strategy and role of Community teams.</p> <p>Communications performance metrics have been established to drive improvements in focus and performance.</p>
<b>Principle B: Ensuring openness and comprehensive stakeholder engagement (previously Principle 6)</b>	
Embedding the annual report and its communication to the public.	<p><b>Open.</b> Work to embed the East Suffolk Business Plan is already in motion, with posters, staff briefings and information circulated. The Annual Report will support and link to that process.</p> <p>Case studies and associated PR is being arranged for completed business plan actions.</p> <p>New style annual report is being developed and will be published in June 2017.</p>
<b>Principle C: Defining outcomes in terms of sustainable economic, social and environment benefits (previously Principle 1)</b>	
Determine the scope and provision of an asset investment plan in relation to capital and revenue budgets.	<p><b>Open.</b> The Commercial Asset Investment Strategy is due to be presented Cabinet in June 2017. Further work is being undertaken to test some of the assumptions in relation to the economy, available market’s / diversity of portfolio etc.</p>
Continue to address income streams which are reducing.	<p><b>Open</b> Ongoing. Good services are being delivered. Customer satisfaction remains high when compared with benchmark groups. Action needed to streamline decision making processes to improve efficiency.</p>
<b>Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it (previously Principle 2)</b>	
Continuous review of internal communications to embed and ensure effectiveness.	<p><b>Open.</b> A significant amount of work has been undertaken and now further embedding is underway. Improvements include ongoing process of meetings and trainings being provided by the Communications Team, which is being overseen by SMT through the Strategic Director.</p> <p>Regular meetings are now being held between Heads of Service and Communications Managers. Communication Managers have also attended team meetings. Members have also been provided with training/workshops on communications, including the Communication Strategy and role of Community teams.</p> <p>Merger communications plan is being developed, and starting with a new format of CEO staff briefings in June</p>

**Principle F: Managing risks and performance through robust internal control and strong public financial management (previously Principle 4)**

Clear and effective understanding of pressures and demands and effective use of required resources.

**Open.** Working collaboratively with Suffolk partners to develop a combined Countywide Strategy.

The performance management process and internal training, development and communication aim to clarify this and improve effectiveness. The Transformation Challenge Award is also in place across East Suffolk. The East Suffolk Business Plan also sets out its priorities.