REVIEW OF CODE OF CORPORATE GOVERNANCE AND THE ANNUAL GOVERNANCE STATEMENT

Meeting:	Cabinet/Standards and Audit Committee
Date:	*31st May 2016/23rd June 2016*
Cabinet portfolio:	Cabinet Member for Governance
Report by:	*Internal Audit Consortium Manager*

For publication

1.0 **Purpose of report**

1.1 To Review compliance with the Code of Corporate Governance requirements during the year 2015/16 and to present the Annual Governance Statement and associated action plan.

2.0 **Recommendations**

2.1 That the Cabinet consider the following documents and refer any comments to the Standards and Audit Committee:
   a) the Annual Review of the Local Code of Corporate Governance for 2015/16 (Appendix A);
   b) the Annual Governance Statement (Appendix B);
   c) the Annual Governance Statement Action Plan (Appendix C).

2.2 That the Standards and Audit Committee:
   a) consider the documents listed in 2.1 above, together with any comments from Cabinet;
   b) subject to any amendments that they consider appropriate, approve the Annual Governance Statement and Action Plan; &
   c) recommend that the Annual Governance Statement be signed by the Leader and Chief Executive.

2.3 That a review of the Code of Corporate Governance be undertaken in 12 months' time.

2.4 That progress on the Action Plan is monitored by the Corporate Management Team.

3.0 Report Details

Background

3.1 As good practice and to promote sound governance arrangements local authorities are recommended to adopt and regularly review a Code of Corporate Governance. The Code of Corporate Governance details the system by which the Council controls and directs its functions and how it relates to its local community.

3.2 A Code of Corporate Governance was first adopted in 2002 and was revised in 2008 following new guidance issued jointly by SOLACE (Society of Local Authority Chief Executives) and CIPFA (Chartered Institute of Public Finance and Accountancy). The Code of Corporate Governance (Appendix A) has been revised again following the issue of a further Guidance Note and Addendum in 2012 by CIPFA/SOLACE. In April 2016 CIPFA published a further good governance guide to be implemented for the 2016/17 year.

3.3 The Annual Governance Statement builds on the annual review of the Code of Corporate Governance. In England, the preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2015. The Regulation requires authorities to prepare an Annual Governance Statement in accordance with "proper practices" in relation to internal control. The CIPFA / SOLACE framework, 'Delivering Good Governance in Local Government', defines such "proper practices".

3.4 The Annual Governance Statement should be an open and honest self-assessment of the organisation's performance across all of its activities, with a clear statement of the actions being taken or required to address areas of concern. The CIPFA/SOLACE Framework sets out the following 6 core principles which Authorities should follow:-

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

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

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

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

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

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

3.5 The key purposes of the Annual Governance statement is to assess the extent to which the above key principles are in place within an Authority and are adhered to in practice.

3.6 Within the Addendum to the revised guidance issued in 2012 by CIPFA/SOLACE is a list of the key elements of the systems and processes that comprise an authority's governance. Senior management have reviewed the position in Chesterfield Borough Council against the principles set out in the revised guidance.

Review of compliance with the Code of Corporate Governance requirements

3.7 The Review in Appendix A shows that compliance with the Code requirements has been largely achieved during the year 2015/16. Where there is only part compliance these areas have been addressed within the Annual Governance Statement Action Plan.

The Annual Governance Statement

3.8 The review of compliance with the Code of Corporate Governance helps to identify evidence which is then used in the Annual Governance Statement.

3.9 The guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) has also been used when reviewing the assurances

and producing the Annual Governance Statement. The Annual Governance Statement (Appendix B) and action plan (Appendix C) have been derived from a detailed review of the assurances by senior officers.

3.10 A Group of Officers has been involved in the review including, the Local Government and Regulatory Law Manager and SIRO, the Head of Finance, the Executive Directors, the Internal Audit Consortium Manager, the Transformation Manager and Policy and Communications Manager.

3.11 The review indicates that to a large extent the processes and procedures in place at Chesterfield Borough Council are compliant with good practice.

3.12 Where it has been found that there is a gap or an area where the system of internal control could be further improved, the relevant item has been incorporated into an Action Plan shown as Appendix C. The items in the Action Plan have been ranked, with the more significant issues being included in the Annual Governance Statement (Appendix B) that will be published with the Council's Statement of Accounts.

3.13 The Annual Governance Statement (Appendix B) follows the layout of a pro forma statement recommended by the CIPFA guidance**.** The Statement should be signed by the Leader of the Council and the Chief Executive.

4.0   Human resources / people management implications

4.1   None

5.0   Financial implications

5.1   There are no cost implications.

6.0   Legal and data protection implications

6.1   The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2015.

7.0   Consultation

7.1 A Group of Officers has been involved in the review including, the Local Government and Regulatory Law Manager and SIRO, the Head of Finance, the Executive Directors, the Internal Audit Consortium Manager and Policy Manager.

8.0 Risk Management

8.1 The failure to operate a sound system of Corporate Governance would represent a significant risk to the Council. The review of the Code of Corporate Governance and the preparation of the Annual Governance Statement demonstrate that the Code of Corporate Governance is operating effectively in the majority of areas and therefore minimises any risk from a failure of corporate governance.

9.0 Equalities Impact Assessment (EIA)

9.1 Whilst there are not considered to be any direct equalities impacts in relation to this report, sound corporate governance arrangements will support the achievement of the Council's equalities objectives.

10 Alternative options and reason for rejection

10.1 Not Applicable

11.0 Recommendations

11.1 That the Cabinet consider the following documents and refer any comments to the Standards and Audit Committee:
   d) the Annual Review of the Local Code of Corporate Governance for 2015/16 (Appendix A);
   e) the Annual Governance Statement (Appendix B);
   f) the Annual Governance Statement Action Plan (Appendix C).

11.2 That the Standards and Audit Committee:
   d) consider the documents listed in 2.1 above, together with any comments from Cabinet;

e) subject to any amendments that they consider appropriate, approve the Annual Governance Statement and Action Plan; &

f) recommend that the Annual Governance Statement be signed by the Leader and Chief Executive.

11.3 That a review of the Code of Corporate Governance be undertaken in 12 months' time.

11.4 That progress on the Action Plan is monitored by the Corporate Management Team.

12.0 Reasons for recommendations

12.1 To enable the Cabinet and the Standards and Audit Committee to monitor compliance with the Code of Corporate Governance.

12.2 In order to comply with the requirements of the Accounts and Audit Regulations 2015.

12.3 To support the maintenance of sound governance arrangements within the Council.

Decision information

Key decision number	Non-key 53
Wards affected	All
Links to Council Plan priorities	All

Document information

Report author	Contact number/email
Jenny Williams	**01246 345468** **Jenny.williams@chesterfield.gov.uk**
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Accounts and Audit (England) Regulations 2015 CIPFA/SOLACE publication – Delivering Good Governance in Local Government guidance note and framework	

CIPFA publication – Delivering Good Governance in Local Government Guidance Note for English Authorities and Addendum 2012 Edition LOCATION: Internal Audit Office	
Appendices to the report	
Appendix A	Annual Review of the Code of Corporate Governance
Appendix B	Annual Governance Statement
Appendix C	Annual Governance Statement Action Plan

Chesterfield Borough Council
Local Code of Corporate Governance – 2015/16 Review

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 1.1 – Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users.					
1.1.1	Develop and promote the authority's purpose and vision	CE / Executive Directors/ Executive Members Corporate Management Team	• Vision used as a basis for corporate and service planning • Community engagement and involvement • Communication strategy in respect of corporate objectives has been developed, approved and implemented.	• The Council Plan and Vision statement was approved by Council on the 26th February 2015, These are cascaded down through SLT, CMT, manager's breakfast seminars, team meetings and the Borough Bulletin. The 2016/17 update was approved by Council on the 25th February 2016 • Summary version of plan made available on CBC website • Service Plans and regular EPD's • In October 2014 a new Community Engagement Strategy2014 – 2017 was	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				approved by Council • An External Communications Strategy was approved in December 2014	
1.1.2	Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements	CE / Executive Directors / Executive Members/ Corporate Management Team	Record the review of: • The authority's vision • The governance code	• The Council Plan is refreshed annually (February 16). • The Local Code of Corporate Governance is formally reviewed on an annual basis as part of the process of preparing the Annual Governance Statement	Yes
1.1.3	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners	CE / Executive Directors	• Partnership protocol including an agreement on the role and scope of each partner's contribution. • Strategic partnership priorities • Partnership arrangements	• The Community Safety Partnership, Joint Board, Derbyshire Health and Wellbeing Board and Waterside are all examples of Partnerships supporting Council Priorities • There is a partnership strategy but this is due for review	Partial – Partnership Strategy to be reviewed

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
1.1.4	Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	CE / Executive Directors	• Formal annual report which includes key points raised by external scrutineers and service users' feedback on service delivery • Annual financial statements	• Annual Financial Statements published on website. • Regular reporting / monitoring of Council Plan. An annual report is published shortly after year end detailing performance against the plan. • In addition to this a council "newspaper" Your Chesterfield is circulated to residents 3 times a year with stories based around updates on progress with corporate priorities. • Achievements against priorities are communicated to the public through the media, council website and various social media channels • Various other annual reports are produced such as the annual Scrutiny report and the Equality and Diversity annual report.	Partial – no specific annual report

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 1.2 – Ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning.					
1.2.1	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	CE/Executive Directors	• An agreed set of quality standard measures for each service element and included in service plans. • Evidence that views of service users and non-users have been received. • Evidence that views have been taken into account in service planning and delivery	• Vision and Objectives • Service Plans • Periodic surveys through Community Assemblies • Are you being served survey Sept 15 • Corporate Plan performance indicators • Service Specific Surveys The performance framework is currently being reviewed and developed	Partial – The performance framework has been approved but is being embedded.
1.2.2	Put in place effective arrangements to identify and deal with failure in service delivery.	CE / Executive Directors/PPP Client Officer Supported by Arvato	• Regular reports on the progress of service delivery • Performance trends are established and reported upon • Formal complaints policy and procedures exist and are operating effectively • Evidence that complaints have informed positive service improvement	• Customer Services Charter in place. • Complaints, Compliments and Comments system operating. • Customer Service Strategy adopted by Council 14/12/11. • PI's in Service Plans • Regular reports summarising comments and complaints submitted to Corporate Management	Partial – The performance framework has been approved and is being embedded.

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				Team.	

Supporting Principle 1.3 – Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
1.3.1	Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	CE/Executive Directors/Corporate Management Team	• Clear corporate requirement and instruction on how to measure VFM • Corporate procurement policy and strategy • Comparison of information on the authority's economy, efficiency and effectiveness of services with that provided by similar organisations • Evidence that the results are reflected in the authority's performance plans and in reviewing the work of the authority.	• The Council has 3 top priorities and VFM is one of these – the objective is to become financially self-sufficient by 2020 • Are you being served survey undertaken every 2 years includes a measure on their perception of VFM • Benchmarking of services. • Benchmarking clubs used e.g. Housemark for Housing Procurement arrangements have been reviewed and a new arrangement entered in to with the Royal Hospital NHS procurement service. A new strategy is in the process of being developed The Council's performance framework is under review and development	Partial – New Procurement Strategy under development

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 2.1 – Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and the roles and responsibilities of the scrutiny function.					
2.1.1	Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice. Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers.	Monitoring Officer	• Publish job descriptions for the leader of the authority and chief executive • Member / officer protocol • Constitution	• The Constitution is reviewed and updated on an ongoing basis. • The constitution includes roles and responsibilities of Members and Officers and a member/Officer protocol	Yes
Supporting Principle 2.2 – Ensuring that a constructive working relationship exists between elected members and officers and that the responsibilities of authority members and officers are carried out to a high standard.					
2.2.1	Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters	Monitoring Officer	• Scheme of delegation reviewed at least annually in the light of legal and organisational changes	• The Constitution contains the Scheme of delegation. The Constitution is reviewed	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.		• Standing orders and financial regulations which are reviewed on a regular basis	and updated on an ongoing basis. • Corporate Management Team and Corporate Cabinet hold regular joint away day meetings that have supported a constructive working relationship at the senior level.	
2..2.2	Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management.	Leader / Executive Members	• Statutory provisions • Conditions of employment • Up-to-date job description / specification • Appraisal arrangements • Robust performance management system	• The Chief Executive is the designated Head of Paid Service, with the statutory responsibility for the overall monitoring and review of the council's staffing and operation.	Yes
2..2.3	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.	CE / Leader / Executive Members	• Job descriptions • New chief executive and leader pairing consider how best to establish and maintain effective communication	• From May 2011, the new Leader of the Council and the Chief Executive agreed to appoint East Midlands Councils to conduct a facilitated annual	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				performance appraisal for the Chief Executive. At the meeting the Leader of the Council and CE review the latter's performance and discuss their respective roles and relationship, and consider the challenges and opportunities that the Council faces in the short and medium-term. The CE's priority work activities are also discussed and agreed. Additional to the annual meeting, the Leader of the Council and the CE hold regular review meetings through the financial year to monitor and discuss progress on the CE's agreed work priorities.	
2.2.4	Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper	CE / Leader / Executive Members	• Section 151 responsibilities • Statutory provision • Up-to-date job description / specification	• The section 151 officer is appointed and his role is clear and transparent. He has appointed a Deputy. He	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	financial records and accounts, and for maintaining an effective system of internal financial control.		• The authority has complied with the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* and has reported on it accordingly in its annual governance statement. • The authority has complied with the *CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations* and has reported on it accordingly in its annual governance statement	reports regularly to members and to relevant officers through regular Financial Planning Group meetings. There is close liaison between the Internal Audit Consortium Manager and the CFO. • Compliance with the CIPFA statement on the Role of the Chief Financial Officer and the role of the Head of Internal Audit are reported in the annual governance statement	
2.2.5	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.	CE / Leader / Executive Members	• Monitoring officer provisions • Statutory provision • Up-to-date Job description / specification	• The legal services protocol sets detailed procedures for ensuring legal compliance and timely advice when needed. • Our Constitution shows relevant legal infrastructure. • Regular Corporate Management Team meetings.	Yes
Supporting Principle 2.3 – Ensuring relationships between the authority, its partners and the public are clear so that each know what					

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
to expect of the other.					
2.3.1	Develop protocols to ensure effective communication between members and officers in their respective roles.	Monitoring Officer	• Member / Officer protocol	• We have a member/officer protocol. There is regular communication with and involvement of key members for strategic issues. Formal Executive Member meetings (held in private) allow full communication between officers at all levels and executive members on forthcoming Cabinet reports. • The Council's culture encourages informal communication whenever needed.	Yes
2.3.2	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. Ensure that effective mechanisms exist to monitor service delivery.	Members remuneration – Monitoring Officer Single status - Arvato / CBC Client Officer	• Scheme for members remuneration and allowances • Robust pay and conditions policies and practices for employees • Structured pay scales reflecting competence • Established process for grading and appeals	• Job evaluation maintained. • Structured pay scales in place • Processes in place for grading and appeals • Recommendations of the Independent Remuneration Panel's	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			procedures	review of the members' allowances scheme agreed by Council 16th December 2015. • Senior Pay Policy adopted by Council 26/02/15 and again 25/02/2016.	
2.3.3	Ensure that effective mechanisms exist to monitor service delivery.	CE / Executive Directors Service Heads	• Key performance indicators have been established and approved for each service element and included in the service plan and are reported upon regularly • Reports include detailed performance results and highlight areas where corrective action is necessary	• Council Plan updated and published in February 2015. • The Council plan was updated in Feb 16 which identifies key priorities and aims and progress made in their implementation • A new performance monitoring framework was presented to Cabinet in July 15 and is now being embedded. • Service plans include performance indicators	Yes
2.3.4	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	CE / Executive Directors Service Heads	• Business and financial planning processes established to deliver strategic objectives • Protocols for consultation	• CBC has a full programme of Community Engagement activity as detailed in the Community Engagement Strategy and Plan	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	stakeholders, and that they are clearly articulated and disseminated		• Statutory guidance is followed	• The Council plan was updated in Feb 16 which identifies key priorities and aims and progress made in their implementation	
2..3.5	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. Ensure that there is clarity about the legal status of the partnership • Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.	CE / Executive Directors	Protocols for partnership working mean that for each partnership there is: • a clear statement of the partnership principles and objectives • clarity of each partner's role within the partnership • definition of roles of partnership board members • line management responsibilities for staff who support the partnership • a statement of funding sources for joint projects and clear accountability for proper financial	The Partnership Strategy is awaiting review. Significant partnerships need to be re assessed, although each individual partnership will operate within its own terms of reference or more formal constitutional arrangements.	Partial – partnership documentatio n is in need of review

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			administration • a protocol for dispute resolution within the partnership		

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 3.1 – Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance					
3.1.1	Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	CE / Executive Directors Service Heads Supported by Arvato	• Codes of conduct, annual governance statement • Conduct at meetings	• Management competency framework, embedded within the performance appraisal process and in recruitment. • Leader and Chief Executive "Open Door" sessions • Para. 11 of the protocol on member/officer Relations • IIP Accreditation	Yes
3.1.2	Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	Monitoring Officer / Arvato	• Members' / Officers' code of conduct which acknowledges professional bodies' codes of conduct • Performance appraisal • Complaints procedures • Anti Fraud and anti corruption policies are up to date and working effectively • Induction for new members and staff on standard of behaviour expected	• Codes of Conduct are within the Constitution • Performance appraisals are undertaken every year. • Advice is issued to members by the Monitoring officer/standards and audit committee. • The council supplements legal	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				requirements with additional voluntary and non-statutory arrangements such as the register of gifts and hospitality offered to employees and the register of gifts refused by councillors. • The Council has an Anti- Fraud, bribery and Corruption Strategy which was refreshed and approved by the Standards and Audit Committee on the 20th September 2013	
3.1.3	Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	Monitoring Officer	• Standing Orders, financial regulations and codes of conduct, all reviewed and updated on a regular basis • Register of Interests (members and staff) • Provision of ethical awareness training • Procedures for dealing with conflicts of interest • Up-to-date register of gifts and hospitality	• The council supplements legal requirements (e.g. members' register of gifts and hospitality) with additional voluntary and non-statutory arrangements such as the register of gifts and hospitality offered to employees and the register of gifts refused by councillors.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• As well as ad hoc advice to individual members, Monitoring officer and Standards and Audit Committee issue timely written guidance on salient conduct issues • Standing orders and Financial Regulations were reviewed in 2014/15	
Supporting Principle 3.2 – Ensuring that organisational values are put into practice and are effective					
3.2.1	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	CE / Executive Directors Service Heads Supported by Arvato	• Codes of conduct • Evidence of communicating shared values with members, staff, the community and partners • Whistleblowing arrangements are in place and protect individuals raising concerns	• Core values – in February 2014 the Council refreshed its core values. Staff have been consulted on these. The values have been presented in the Borough bulletin and posters have been produced. • Management competency framework, now aligned to the agreed core values and used within performance appraisals and in recruitment. • Vision / Corporate Plan • Protocols on Member / Officer relations. • Leadership Development	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				Training Programme for CMT • Joint Working Protocol • IIP Review Report • Protocol on Service Reviews and TUPE Transfers agreed with local unions • Confidential reporting Code (Whistleblowing Policy) in place	
3..2.2	Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.	Monitoring Officer	• Codes of Conduct	• Constitution and advice to members underpinned by ethical framework • Monitoring Officer/Deputy attend member and officer meetings at all levels • Induction and refresher training on code of conduct for all members	Yes
3.2.3	Develop and maintain an effective standards committee	Monitoring Officer	• Terms of reference (Constitution) • Regular reporting to full council • Examples of responding to complaints about behaviour	• See Standards Committee minutes. • Training of Standards and Audit Committee members. • Written advice on salient conduct issues sent to all members and put in Constitution	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
3.2.4	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	Monitoring Officer & CE / Executive Directors Service Heads	• Decision-making practices • Evidence that shared values have guided the decision making	• Core Values have played a role in restructuring and recruitment decision making. • Constitution Part 2 article 13 "Decision making" • Executive member meetings in preparation for cabinet decisions • Relevant portfolio holder introducing officers' reports at cabinet meetings • Extensive Delegation of appropriate decisions to officers (see Part 3 constitution and minutes) • Joint workshops of Corporate Cabinet and Corporate Management Team to discuss major issues.	Yes
3.2.5	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	CE / Executive Directors	• Protocols for partnership working • Evidence of agreed values	• There is a partnership strategy in place although this is due for review. • Relevant Minutes e.g. Joint Board • Service level agreements have been developed	Yes

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 4.1 – Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny					
4.1.1	Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisations for which it is responsible.	Monitoring Officer and Chairs Overview and Performance Scrutiny Forum & Scrutiny Committees Scrutiny Officer	• The role of and responsibility for scrutiny have been established • Agenda and minutes of scrutiny meetings • Evidence of improvements to proposals as a result of scrutiny • An effective internal audit function is resourced and maintained	• Scrutiny Reports and reviews • The annual Scrutiny report was presented to Council in March 2015. • Partnerships Protocol • Joint Scrutiny Ctte Terms of Reference • Derbyshire Scrutiny Liaison Group Terms of Reference • Sheffield City Region Scrutiny • Constitution Part 2 - provides for wide participation of non-executive councillors in flexible and responsive review panel arrangements.	Yes
4.1.2	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	Monitoring Officer	• Decision – making protocols • Record of decisions and supporting materials • Record of professional advice in reaching decisions	• Constitution - decision-making and access to information provisions. • Electronic committee management system for all formal decisions • Refreshed Report Writing Guide (2010) giving template for relevant decision making	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				considerations including risk management, equality impact assessment and value for money.	
4.1.3	Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.	Monitoring Officer	• Members' and officers' code of conduct which refers to a requirement to declare interests • Minutes showing declarations of interest were sought and appropriate declarations made	• Employees' Code of Conduct requires recording of gifts and hospitality offered and received. Records of these are monitored centrally. • Minutes will show employees' and councillors' declaration of private, personal and prejudicial interests, as advised generally in training and by ad hoc advice. • Constitution (e.g. Cabinet Procedure Rules) provide for members decision making to be transferred in case of confliction • Council Political Groups get initial written advice on likelihood of regular conflicts of interest (arising from a councillor's outside activities), before committee seats are allocated by groups. This advice is refreshed. • Constitution lists specific restrictions on members, apart	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				from the code of conduct (e.g. insider dealing, council tax arrears). • Committee constitutions reference have statutory and non-statutory exclusions designed to minimise conflict of interest or predisposition in quasi-judicial functions • Protocol on service reviews restricts officers' potential conflicts of interest relating to in-house competitive tendering situations. • Transparency is assisted by members registered interests being accessible through the web site	
4.1.4	Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.	Monitoring Officer & Internal Audit Consortium Manager	• Terms of reference • Membership • Training for Committee members	• The Standards and Audit committee is set up as independent of the cabinet and of scrutiny. The constitution gives it statutory and non-statutory (CIPFA recommended) audit functions • Members of the committee have been given training in audit matters.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
4.1.5	Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.	Executive Directors Transformation / Arvato	• Complaints Procedures • Evidence of changes / improvements as a result of complaints received and acted upon	• Complaints, Comments and Compliments outcomes regularly reported to the Corporate Management team. • The system has been improved to facilitate analysis of trends	Yes
Supporting Principle 4.2 – Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants / needs					
4.2.1	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 and financial issues and their implications.	CE / Executive Directors /Service Heads	• Discussion between members and officers on the information needs of members to support decision making • Agreement on the information that will be provided and timescales • Calendar of dates for submitting, publishing and distributing timely reports that are adhered to	• See Constitution Part 2 Article 11 for Constitution of Joint Board - Executive member system applies. • Prior to Executive Member meetings, reports are tabled for discussion at WBR meetings • Plain English guides and training • Reports to Members include all the information needed for Members to make decisions. This includes Equality Impact assessments	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
4.2.2	Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of the decision-making and used appropriately.	CE / Executive Directors/ Service Heads	• The authority complies with the *CIPFA Statement on the Role of the Chief Financial Officer in Local* Government and reports accordingly in its annual governance statement • Record of decision making and supporting materials • Meeting reports show details of advice given	• The Council has a Chief Financial Officer that is a member of CMT • Monitoring Officer attends CMT and he, or a representative attend and advise a range of officer and member decision making bodies. • Meetings and decisions are minuted. • Report writing Guide • Legal Services protocol	Yes
Supporting Principle 4.3 – Ensuring that an effective risk management system is in place					
4.3.1	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.	Chief Financial Officer	• Risk management protocol • Risk management strategy / policy has been formally approved and adopted and is reviewed and updated on a regular basis • Financial standards and	• Risk management has had a complete refresh in 2014/15 with advice being obtained from the Council's insurers Zurich. • Revised Risk Management Strategy approved by Council February 2015. • Risk Management Group • Risks considered in all Cabinet Reports	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			regulations • Counter- fraud arrangements are in place and operating effectively	• Risk Management training has been provided in 2014/15 • Strategic Risk register reviewed regularly • Service Plans include regular review of risks.	
4.9	Ensure that effective arrangements for whistle – blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access.	Arvato	• A whistle blowing policy exists and is reviewed on a regular basis • The policy has been made available to members of the public, employees, partners and contractors	There is a Confidential Reporting Policy in place that is on the intranet and internet. The policy was brought to staff attention in the March 2014 Borough Bulletin. A new confidential reporting policy comes in to operation from the 1st April 2016	Yes
Supporting Principle 4.4 – Using their legal powers to the full benefit of the citizens and communities in their area					
4.4.1	Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.	Monitoring Officer	• Constitution • Monitoring Officer provisions • Statutory provision	• Constitution is underpinned by legal references • This is supported by the Council's Constitution and by the Monitoring Officer, Legal Team and Internal Audit.	Yes
4.4.2	Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities	Monitoring Officer	• Record of legal advice provided by officers	• Constitution is underpinned by legal references (e.g. caselaw on decision-making Part 2 Article 13)	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	placed on local authorities by public law.			• Planning and Licensing Codes of Conduct	
4.4.3	Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision making processes.	Monitoring Officer	• Monitoring Officer provisions • Job description / specification • Statutory provision.	• Constitution : decision-making Part 2 Article 13 Cabinet Procedure Rules, restrictions on committee membership as shown in the constitution and guides to groups when allocating seats (see above) • Consultative processes (e.g. Community Assemblies) precede key decision-making. • Detailed practical guides on quasi judicial functions (planning and licensing codes of conduct), and on compliance with general code (e.g. declaring interests at full Council meetings)	Yes

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 5.1 – Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles					
5.1.1	Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	Head of Governance / Arvato	• Training and development plan • Induction programme • Access to update courses / information/ briefings on new legislation	• Member development training for councillors based on individual annual PDRs. • EPD (Employee Performance and Development) process identifies training needs • IIP (investors in People) accreditation • CPD (Continuing professional development) needs are met • Induction training for new employees.	Yes
5..1.2	Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.	CE	• Job description / personal specifications • Membership of top management team	• Statutory Officers attending Corporate Management Team , cabinet and other key meetings • Monitoring Officer, CFO , Internal Audit Consortium Manager and Head of Paid Service have relevant professional qualifications	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				and experience. • Induction and other training communicates these roles through the authority • No adverse audit comments	

Supporting Principle 5.2 – Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
5.2.1	Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.	Members – Monitoring Officer Officers – CE, Executive Directors, and Service Heads supported by Arvato	• Training development plan • Performance reviews of officers and members	• Personal Development Reviews (PDR's) for Councillors. • Member Development & Training programme • Workforce Development Plan • EDP process	Yes
5..2.2	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.	CE, Executive Directors and Service Heads supported by Arvato	• Training and development plan reflects requirements of a modern councillor including: - the ability to scrutinise and challenge - the ability to recognise when outside advice is required	• Development Programme for Councillors • Leadership Development Programme for CMT • Ongoing Training programme for Scrutiny • Lean training	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			- advice on how to act as an ambassador for the community - leadership and influencing skills		
5.2.3	Ensure that 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.	CE / Executive Directors	• Performance management system. • Staff development plans linked to staff appraisals	• Member training in place	Yes
Supporting Principle 5.3 – 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					
5.3.1	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.	Service Heads	• Strategic partnership frameworks • Stakeholders' forums' terms of reference. • Area forums' roles and responsibilities. • Residents' panel structure	• Community Assemblies have now been established.	Yes
5.3.2	Ensure that career structures are in place for members and officers to encourage participation and development.	Arvato	• Succession planning	• PDP's for Members. • EPD (Employee Performance and Development) process identifies development	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				needs • IIP (Investors in People) accreditation • The Workforce Strategy & Action Plan considers emerging issues including succession planning.	

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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
Supporting Principle 6.1 – Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.					
6.1.1	Make clear to themselves, all staff and the community to whom they are accountable and for what	Monitoring Officer & Executive Directors	• Council Plan • Community Assembly action plans	• Induction training for members and employees makes clear those accountabilities • Councillors' Democratic Representative role (and Community Assemblies) make clear these accountabilities to the public • Derbyshire Partnership Forum and Derbyshire Community Legal Services Partnership and DCLS Partnership Strategy) • Petitions Scheme and electronic petitions. • Joint Board (and Protocol) on Joint Working • Sheffield City Region Partnership Arrangements • Derbyshire Partnership Forum. • EPD's • Service Plans	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• Council Plan	
6.1.2	Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.		• Establish a database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes	• The Council Plan, the MTFP and Service Plans give structured consideration to the views of the Council's key stakeholders	
6.1.3	Produce an annual report on the activity of the scrutiny function.	Monitoring Officer	• Annual Report	• Annual Scrutiny Report for 2014/15 submitted to Overview and Performance Scrutiny Forum 19th March 2015.	Yes
Supporting Principle 6.2 – Taking an active and planned approach to dialogue with and the accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.					
6.2.1	Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, including monitoring arrangements and ensure that they operate effectively.	CE / Executive Directors/ Monitoring Officer	• Community Assemblies • Tenants participation programme • Equality and Diversity forum • Range of surveys	• A new model for community engagement was developed in 2013 – Community Assemblies. Going forward these will be chaired by the public. • Annual Reports from Community Assembly presented to Cabinet. • Equalities policies and Equalities Impact Assessments • Equality and Diversity	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				annual report • The council holds all meetings in public (including Joint Board meetings), subject to the rules on access to information. • Initiatives for engaging with young and old people • Consultation is part of our Equality Impact Assessments • Your Chesterfield the Council's newspaper is sent to residents three times a year • The Council's website and social media channels are used to communicate with the community and stakeholders on a variety of issues. • Video is now being used to help communicate messages to the public on a variety of issues through the website, social media and the sites of media outlets.	

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
6.2.2	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.		• Record of public consultations • Processes for dealing with competing demands within the community	• Community Engagement Strategy • External Communications Strategy including media protocol and social media policy	Yes
6.2.3	Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result.	CE / Executive Directors	• Partnership framework • Communication strategy	• The Council has adopted a Community Engagement Strategy and develops annual action plans. • Feedback given on consultation via the CBC website, Community Assemblies and Your Chesterfield where appropriate	Yes
6.2.4	Publish an annual 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.	CE	• Annual report • Annual financial statements • Corporate plan • Annual business plan	• Covered by performance monitoring reports to Cabinet and update of Council Plan.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
6.2.5	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.	CE / Executive Directors/Service Heads	• Constitution • Freedom of Information Act publication scheme • Council tax leaflet • Authority website	• Constitution • FOI Publication Scheme in place • Communications Strategy • Media Protocol. • Joint Board meetings are open to the public • Community Assemblies offer public participation in decision making and consultation • Website/Social media provide feedback opportunities • Policy to debate issues on the open agenda wherever possible	Yes
Supporting Principle 6.3 – Making best use of human resources by taking an active and planned approach to meet responsibilities to staff					
6.3.1	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	CE / Arvato	• Constitution • Adherence to best practice standards in recruitment and staff terms and conditions	• Policy on representatives facility time • Joint Consultative Committee / Service Consultative Committees. • Regular management and TU strategic meetings • Protocol on Service Reviews and TUPE agreed with Unions • Protocol on TUPE	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				transfers under joint working agreed with unions. • Joint Board • Internal Communications Strategy • Union representation on Great Place Great Service Programme Board and other project steering groups.	

CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2015/16

Scope of Responsibility

Chesterfield Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Chesterfield Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. This Statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015,which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31st March 2016 and up to the date of approval of the statement of accounts.

The governance framework

The key elements of the systems and processes that comprise the Council's governance framework are as follows:-

Chesterfield Borough Council identifies and communicates the authority's vision of its purpose and intended outcomes for citizens and service users via its Corporate Plan and Vision statement which were updated in February 2015. The Corporate Plan consists of 3 priorities:-

To make Chesterfield a thriving borough
To improve the quality of life for local people
To provide value for money services

The Council's values reflect the way the council wants to achieve its vision, these are:-

Customer focused: delivering great customer service, meeting customer needs
Can do: striving to make a difference by adopting a positive attitude
One council, one team: proud of what we do, working together for the greater good
Honesty and respect: embracing diversity and treating everyone fairly

The Corporate Plan is cascaded down through, managers meetings, performance management system, service plans, team plans, budgets and employee development reviews. This flow ensures that resources are utilised for the achievement of the Council's Corporate Plan and vision.

The Council works with a number of partnerships to deliver its aims. Where the Council has entered into partnership arrangements it seeks to ensure that these promote the Council's vision of its purpose and intended outcomes for citizens and service users and that they are subject to appropriate governance and performance management arrangements. Two of the Council's significant partnerships are Sheffield City Region Combined Authority and the Local Enterprise Partnership for Derbyshire and Nottinghamshire for which there are inter authority agreements in place.

The best use of resources and value for money are obtained by scrutiny reports and reviews, reviewing service performance, benchmarking, monitoring budgets and undertaking lean reviews.

Chesterfield Borough Council has a formal constitution in place that sets out how it operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. In addition, the constitution sets out the roles and responsibilities of Members and Senior Managers.

The Cabinet is the part of the authority which is responsible for most day to day decisions. The overview and scrutiny committees support the work of the Council by scrutinising the decisions made. The Standards and Audit Committee are responsible for maintaining and promoting high standards of conduct and for considering the effectiveness of the Council's risk management arrangements and the control environment. The Committee also reviews reports from internal and external audit and other inspection agencies and seeks assurance that action has been taken where necessary.

Formal Codes of Conduct are in place for Members and Officers and are available on the intranet and form part of induction procedures. To further enhance these high standards the Council has in place a comments, complaints and compliments procedure, a Customer Services Charter, an Anti- Fraud, Bribery and Corruption policy and a Confidential Reporting (whistle blowing) Code.

In order to ensure compliance with relevant laws and regulations, internal policies and procedures Chesterfield Borough Council has a comprehensive induction policy and provides training for staff and Members on a regular basis. The Constitution is underpinned by legal references. Training needs are identified through Member and employee performance and development reviews and continuous professional development is encouraged. Policies are readily available on the intranet.

Chesterfield Borough Council has a risk management strategy, a risk management group and risk is considered as part of all Cabinet reports. The corporate risk register and service risk registers are regularly reviewed and appropriate training is provided.

The Council has a suitably qualified Business Transformation section and a Business Transformation Strategy.

The Chief Executive is the designated Head of Paid Service, with the statutory responsibility for the overall review of the Council's staffing and operation. The performance management system ensures that the Chief Executive is monitored for performance in the delivery of political priorities which are in turn monitored and measured across all staff. The Council's Monitoring Officer attends Corporate Management team meetings and is suitably qualified.

The Chief Financial Officer is professionally qualified and experienced to undertake their roles and responsibilities. The Chief Financial Officer is a key member of the Corporate Management team and leads and directs a finance function that is fit for purpose. 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.

Internal Audit is provided on a Consortium basis for Bolsover District Council, North East Derbyshire District Council and Chesterfield Borough Council. The Internal Audit function operates in accordance with the Public Sector Internal Audit Standards and conforms with the requirements of the CIPFA statement on the Role of the Head of Internal Audit. The Internal Audit Consortium Manager is a senior manager, professionally qualified and leads an appropriately resourced and experienced audit team.

Chesterfield Borough Council has a variety of means of communicating with all sections of the community and stakeholders including the Community Engagement Strategy, the Council's website, the publication of "Your Chesterfield" three times a year and Community Assemblies.

Review of Effectiveness

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 executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the

Internal Audit Consortium Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The processes that have been applied in maintaining and reviewing the effectiveness of the governance framework include:

- Internal audit reviews of systems and procedures in accordance with the agreed internal audit plan
- Annual review of the Council's Code of Corporate Governance
- Monitoring Officer reviews and monitors the operation of the Council's Constitution
- The Chief Executive, Executive Directors and Service Heads monitoring the risks and the associated controls assigned to them
- The Chief Financial Officer (the Head of Finance) providing the Council and the Management team, with financial reports and financial advice covering the whole range of Council Activities
- Reviews by external agencies such as the Council's external auditor
- A review of the system of assurances/internal controls
- The Council's Standards and Audit Committee receives reports on the work of internal audit, including the annual report by the Internal Audit Consortium manager. The annual review of the Local Code of Corporate Governance is reported to both the Standards and Audit Committee and the Council's Cabinet.
- The Cabinet receives and considers reports on the outcome of reviews by the external auditor and other review agencies.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Cabinet and the Standards and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those specifically addressed with new actions are outlined below.

Significant governance issues
The following significant governance issues have been identified:

No.	Issue	Action Proposed	Target Date
1.	Budget - Implementing actions to address the forecast budget deficits in 2016/17. The general fund and the Housing Revenue Account are both under increasing pressure.	Need to continue to closely manage the Medium Term Financial Plan to ensure that the Council remains of sound financial standing, and to support decisions on the alignment of budgets to enable delivery of the Council's corporate plan for the period 2015-2019. This will be achieved through the established mechanisms for financial planning and	31/03/17

		reporting: • Financial Planning Group • Great Place Great Service Board • Corporate Cabinet and CMT workshops • Monthly budget monitoring reports to service managers • Quarterly budget monitoring reports to the Council, Cabinet and Scrutiny Forum • Regular dialogue with the trade unions	
2.	Procurement – progress has been made during 2015/16 but the new arrangements with the NHS Royal hospital need time to embed to ensure that the procurement process is robust from start to finish.	The Council has recently entered in to an agreement with the Royal Hospital NHS to provide a procurement service. This arrangement will be kept under review to ensure that it is meeting the Council's requirements. The transitional processes are currently being evaluated and adapted. A procurement Strategy will be devised and training provided to all key staff.	30/09/16
3.	Data Protection – Following a critical audit report in May 15 Officers identified further weaknesses that need addressing. Some of the weaknesses have been addressed however others remain outstanding.	Resources will be allocated to address the weaknesses outstanding. The new staffing structure includes an Information Assurance officer. The Information Assurance Manager post is currently out to advert, together with a support officer role. When both posts are filled it will provide additional capacity to tackle this priority area.	30/9/16

4.	IT performance/PSN compliance and Security issues - This is in an improved position from last year however there is still further work to be done.	An Executive Director is leading on this review. The Council and Arvato (The Council's IT provider) have designed an action plan to deliver PSN compliance within the required timescale. The requirements are more stringent than the previous year and therefore the volume of work is complex and large scale. Work is currently on track to meet the target. A new IT strategy has been drafted.	30/09/16
5	Devolution and the changing landscape of Local Government – this brings new challenges as to how the Council will manage this change successfully with its partners	Officers will be working closely with partners to ensure that the best deal is obtained for Chesterfield residents Detailed consideration of these issues and the implications for the council and the borough were considered by full Council in March and April 2016. A more formal project structure will be established for managing the subsequent process and arising changes during 2016/17.	31/03/17
6	Non Housing Property Repairs – The previous 10 year plan has not been adhered to, monitored for completion or adjusted as a result of condition surveys.	The Council will work with its partner Kier to ensure that 10 year plans based on condition surveys are established and monitored. A prioritisation exercise will ensure that those plans are done first for properties that represent the highest potential financial and operational risk.	30/06/16

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

H Bowen	Councillor J Burrows
Chief Executive	Leader of Chesterfield Borough Council

Date:

On behalf of Chesterfield Borough

CHESTERFIELD BOROUGH COUNCIL – ANNUAL GOVERNANCE STATEMENT 2015/16
ACTION PLAN

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
1.A.3	During 2015/16 there has been a restructure of CMT, this has led to some key staff leaving or retiring. Until the new post holders take up their positions there is a capacity issue.	Three of the vacant Corporate Management team posts have been offered to applicants following an agreed recruitment procedure, it is hoped that these candidates will all take up employment between May and July. Management interim arrangements are operating in the meantime. One key post remains to be filled.	**30/09/16**	**CE/Executive Directors**	**M**		✔

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
1.B.3	Budget - Implementing actions to address the forecast budget deficits in 2016/17. The general fund and the Housing Revenue Account are both under increasing pressure.	Need to continue to closely manage the Medium Term Financial Plan to ensure that the Council remains of sound financial standing, and to support decisions on the alignment of budgets to enable delivery of the Council's corporate plan for the period 2015-2019. This will be achieved through the established mechanisms for financial planning and reporting:- • Financial Planning Group • Great Place Great Service Board • Corporate Cabinet and CMT workshops • Monthly budget monitoring reports to Service Managers • Quarterly budget monitoring reports to the Council, Cabinet and Scrutiny Forum • Regular dialogue with the trade unions .	01/03/17	Members / CE / Executive Directors/ Chief Financial Officer	H	✓	

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
1.D.5	The Performance Monitoring framework is under development	A new performance framework is in the process of being developed and implemented. The new framework will ensure that performance is appropriately reviewed and reported.	**30/09/16**	**Executive Director**	**M**		✓
1.D.5	The PPP performance indicators are in the process of being reviewed to ensure that they focus on what the Council wants to achieve	The PPP partnership and associated KPI's are in the process of being reviewed. The monitoring of the PPP partnership will form part of the new performance framework and will ensure that Members are kept up to date.	**30/09/16**	**Executive Director**	**M**		✓
2.A.1	Monitoring arrangements for partnerships require review and update.	The Partnership Strategy is to be reviewed in 2016/17 and significant partnerships re-assessed.	**31/03/17**	**Policy and Communications Manager**	**M**		✓

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
2.A.10	Devolution and the changing landscape of Local Government – this brings new challenges as to how the Council will manage this change successfully with its partners	Officers will be working closely with partners to ensure that the best deal is obtained for Chesterfield residents. Detailed consideration of these issues and the implications for the council and the borough were considered by full Council in March and April 2016. A more formal project structure will be established for managing the subsequent process and arising changes during 2016/17.	31/03/2017	**Corporate Management Team**	**H**	✓	
3.A.4	The Anti- Fraud Bribery and Corruption policy was last reviewed and approved in September 2013	The Anti- Fraud Bribery and Corruption policy will be reviewed and updated	31/03/2017	**Internal Audit Consortium Manager**	**M**		✓
3.A.9	Some Services Business Continuity and emergency plans are out of date and updating has been delayed due to the CMT restructure	The Council's services business and continuity plans will be reviewed and updated to reflect the new staffing structure	31/03/2017	**Business Continuity Manager**	**M**		✓

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
3.A.12	Internal Audit reports issued with an unsatisfactory or marginal opinion where the recommendations have yet to be fully implemented. These are:- Data Protection	Data Protection – The Information Assurance Manager post is currently out to advert, together with a support officer role. When both posts are filled it will provide additional capacity to tackle this priority area.	**30/9/16**	**Executive Director/ Information Assurance Manager**	**H**	✓	
	Non Housing Property Repairs	Non Housing Property Repairs – The Council will work with its partner Kier to ensure that 10 year plans based on condition surveys are established and monitored. A prioritisation exercise will ensure that those plans are done first for properties that represent the highest potential financial and operational risk.	**30/06/16**	**Executive Director/ Kier**	**H**	✓	
	IT Security – a lot of work has been undertaken but this is still a risk area	The Council and Arvato (the Council's IT provider) have designed an action plan to deliver PSN compliance within the required timescale. The requirements are more stringent than the previous year and therefore the volume of work is complex and large scale. Work is currently on track to meet the target.	**30/09/16**	**Executive Director/PP P Client Officer**	**H**	✓	

Annual Governance Statement Action Plan
2015/16

Objective No. / Area of Assurance	Governance Issue	Action Proposed				To be Included in Published Annual Governance Statement	
		Description	By Date	Officer	Priority	Yes	No
3.A.2 & 3.A.8	Procurement – progress has been made during 2015/16 but the new arrangements with the NHS Royal hospital need time to embed to ensure that the procurement process is robust from start to finish.	The Council has recently entered in to an agreement with the Royal Hospital NHS to provide a procurement service. This arrangement will be kept under review to ensure that it is meeting the Council's requirements. The transitional processes are currently being evaluated and adapted. A procurement Strategy will be devised and training provided to all key staff.	30/09/16	**Transformation Manager /Executive Director**	H	✓	