CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT REVIEW OF ASSURANCES – 2013 / 2014

Objective 1 – Establishing Principal Statutory Obligations and Organisational Objectives

(A) Mechanism established to identify principal statutory obligations.		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
1. Responsibilities for statutory obligations are formally established.	• Documents (e.g. constitution) recording individual officer and member responsibilities • Minutes of delegations to officers and committees • Committee terms of reference • Job descriptions of key officers • Structure charts for Executive and CMT	*CBC Constitution on Internet and Intranet* - *Part 3* - *Part 3* - *Part 2* *Job descriptions are held for all employees* *Staffing structure is held on HR computer system and the management structure is in Part 7 of the Constitution.* *Action Plan – new model of Constitution being drafted via joint officer/member working group to improve accessibility and ease of use. The revised model should be going to Council July 2014.*
2. Record held of statutory obligations	• Accessible record of statutory obligations (e.g. central registry or legal library, intranet site)	*Yes – Legal Law library contains this record.*
3. Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used	• Review of established processes in place • Appointment of suitably qualified and experienced employees, selected against accurate and specific job descriptions and person specifications • Evidence of effective arrangements for	*Operation and continuous review of Recruitment and selection policies and procedures to comply with equality and diversity etc requirements. (See Recruitment and Selection / Job Evaluation Scheme.)* *The Internal Communications Strategy has*

(A) Mechanism established to identify principal statutory obligations.

Area of Assurance	Evidenced by	CBC Current Situation
	internal and external communication (e.g. by review of communication of recent legislation to relevant officers and members)	*been approved and the external communications strategy is currently being drafted.*
	• Appropriate induction training has been given to specific post holders	*All employees receive induction training. Specific training needs for particular posts would be identified as required.*
	• Awareness training tailored to job profiles has been provided	*Awareness training on new legislation Officers participate in Continuing Professional Development as required by the relevant professional bodies.*
	• Inspection of reports to members on implications of new legislation	*WBR reviews the reports before they are taken to Members*
	• Evidence that assurance has been given to Chief Executive (or equivalent) that all relevant legislative changes have been reported and addressed	*Assurances are given at WBR and EPD's*
4. Effective action is taken where areas of non-compliance are found in either mechanism or legislation	• Review of evidence to demonstrate that action has been taken to overcome identified areas of non-compliance, for example: – Internal /external audit reports to audit committee or equivalent	*No significant areas of non-compliance identified. See external audit Annual Governance Report to Standards and Audit Committee 29/11/13 and Internal Audit Annual report to Standards and Audit Committee 28/06/13.*

(A) Mechanism established to identify principal statutory obligations.		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	– Monitoring reports on progress on delivering action plans in response to identified legal/statutory risks in risk register (e.g. on implementation of Freedom of Information Act 2000) – Evidence of corrective action being taken in response to upheld complaints against the authority	*An unsatisfactory Internal Audit report was issued in respect of gas servicing. Later in the year a follow up audit was undertaken and the conclusion was revised to good as the recommendations made had been implemented.* *Heads of Service now receive area summary reports* *Heads of service receive summary reports of audits issued on a quarterly basis for review, monitoring and action.* *Reports on outcome of Ombudsman cases reported to Members, including any corrective action taken.*

(B) Mechanism in place to establish corporate objectives

Area of Assurance	Evidenced by	CBC Current Situation
1. Consultation with stakeholders on priorities and objectives	• Results from internal and/or external consultation exercises have been analysed and published	*CBC has a full programme of community engagement activity as detailed in the community engagement strategy and annual engagement plan. The Council's Community Engagement Group includes Officers and Elected Members who work to ensure high standards are observed for all engagement activities. Reports from individual engagement activities are presented to CMT and where appropriate Cabinet. Reports from engagement activities are available on the Councils website and are often published in "Your Chesterfield" the councils newspaper*
2. The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation).	• Authority's approved and published strategic plan takes account of all consultation and local and national priorities	*The Corporate Plan 2012 – 2015 was approved at full Council on the 28th February 2013 and the 2014/15 plan on the 27/02/2014.*
3. Priorities and objectives are aligned to principal statutory obligations and relate to available funding	• Corporate priorities and objectives are clearly set out in the strategic plan • Strategic plan takes account of annual budget and medium term financial plan • Financial plans take account of strategic partnership contributions and income streams	*Yes – see above Corporate Plan* *Yes – Medium Term Financial Plan takes account of Corporate Plan Priorities.* **Yes – included in medium term financial plan.** *Action Plan – continue to closely monitor medium term financial plan to ensure that it is sustainable and meets council priorities and impact of Local Government Resources Review.*

(B) Mechanism in place to establish corporate objectives		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
4. Objectives are reflected in departmental plans and are clearly matched with associated budgets	• Clear terms of reference are set for the preparation of departmental and/or service plans • Departmental and/or service plans clearly reflect corporate objectives and match approved funding • Annual reports are produced on the outcome of departmental and/or service plans	*Yes – Service Plan and Performance Clinic procedures in place and are based on the how to deliver the Corporate Plan priorities and projects measured through a balanced scorecard approach.* *No formal annual report but performance monitoring reports regularly submitted to members e.g. Performance Outturn for April to September 2013 to Cabinet 19/11/13.*
5. The authority's objectives are clearly communicated to staff and to all stakeholders, including partners.	• A communication strategy in respect of the corporate objectives has been developed, approved and implemented • Evidence of consultation with stakeholders (e.g. public and internal surveys etc) on service provision against cost • Documented meetings across	*2012/15 Corporate Plan includes a project to review the communications strategy (including social media).* *The internal communications strategy has been refreshed during 2013/14 and was approved by Cabinet on the 25th March 2014.* *A Scrutiny review of external communications is nearing completion and an external communications strategy is currently being written.* *Action plan -* *A revised External Communications Strategy is currently being developed and will be published in summer 2014.* *An employee survey has been undertaken in early 2014 and an action plan is being developed from this.*

(B) Mechanism in place to establish corporate objectives		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	departments to discuss key objectives in corporate and departmental and/or service plans • Corporate objectives and aims are set out in key documents (annual plans etc) on the authority's website and intranet site	*Yes – Corporate Plan 2012/15 and 2014/15 on website* *6 weekly managers breakfast meetings have now been introduced where key issues are discussed and information is dispersed.*

(C) Effective Corporate Governance Arrangements are embedded within the authority

Area of Assurance	Evidenced by	CBC Current Situation
1. Code of corporate governance established	• A Code of Corporate Governance in line with CIPFA/SOLACE guidance relevant to the type of authority has been adopted by the Council • A communication strategy in relation to the Code has been developed, approved and implemented	*Yes – Code of Corporate Governance will be reported to Cabinet 17/06/14 and to Standards and Audit Committee 27/06/14.* *The Code is on the intranet*
2. Review and monitoring arrangements in place	• The Code itself incorporates a review date and/or a system for continuous update in response to changed requirements • There are clear arrangements for continuously monitoring compliance with the Code e.g. reports on compliance are regularly submitted to the committee charged with corporate governance responsibility • An annual report on compliance with the Code of Corporate Governance is prepared and submitted to members • Internal/external audit reports on adequacy of corporate governance arrangements • An action plan is prepared to address any significant identified weaknesses in	*Yes – Code subject to Annual Review.* *Yes – many procedures relate to the operation of the Constitution, which is monitored by the monitoring officer. Annual review monitors overall compliance. Annual review will be reported to Cabinet and Standards and Audit Committee (27/06/14).* *Yes – Included in report to Cabinet and Standards and Audit Committee.* *Yes – Internal audit involved in the annual review of the code and also report on compliance with particular requirements e.g. register of gifts and hospitality. External audit would comment as part of annual governance report.* *Yes – Action plan prepared as part of Annual Governance Statement and*

(C) Effective Corporate Governance Arrangements are embedded within the authority		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	complying with the Code and is continuously monitored by the authority or committee charged with corporate governance responsibility	*reported to Cabinet June 13. The action plan was monitored mid year by CMT*
3. Committee charged with governance responsibilities	• Responsibility for overseeing corporate governance has been formally delegated to an appropriate committee • Committee terms of reference clearly demonstrating responsibility for corporate governance issues have been approved by the authority • Terms of reference are sufficiently comprehensive to ensure that all appropriate aspects of corporate governance are covered • Agendas and minutes from committee charged with corporate governance responsibility indicate that the responsibility is being discharged adequately in accordance with terms of reference	*Standards and Audit Committee terms of reference reviewed during 2006/07 to strengthen audit / Corporate Governance responsibilities and renamed Standards and Audit Committee (Cabinet Report 13/02/07 Minute 0212 2006/07).* *- these terms of reference are in our constitution available on the intranet, internet and in paper form (to all members and appropriate officers. Action lists from committees cabinet lead members are produced and circulated. See Standards and Audit Cttee Minutes on corporate governance* *The Constitution is a living document and an up to date copy is available on the intranet and internet.*
4. Governance training provided to key officers and all members	• Induction training for key new officers and all new members incorporate suitable coverage on corporate governance issues according to responsibilities • Ongoing awareness training is provided as appropriate to key staff and all members to ensure that changes in the Code are made known within the	*New members are given training on Code of Conduct Issues and Planning Committee members and Standards. Audit Training provided to new Standards and Audit Committee member September 2011. An annual induction and Learning & Development Programme for Members induction introduced for 2011/12. A 2013/14 Programme has been finalised via*

(C) Effective Corporate Governance Arrangements are embedded within the authority		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	authority	*the Member development Working group. All members have a personal development review to identify training needs.* *Officers – additional training would be arranged for key new officers as necessary. Periodic reminders are issued on declaration of interests / register of Gifts and Hospitality.*
5. Staff, public and other stakeholder awareness of corporate governance	• There is a general staff awareness training programme • The Code has been published and is accessible to all staff, the public and other stakeholders	*Code is available on the Council's Intranet and Internet sites:*

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
1. Comprehensive and effective performance management systems operate routinely	• There is a clearly defined performance management framework that identifies all sources of performance measures;	*Yes – Performance Plus system maintained by Business Transformation Team. Monitors Performance Indicators and Corporate Projects.*
	- who is responsible for achieving each performance measure;	*Yes – allocated to relevant Head of Service.*
	- who is responsible for collating the data for each one; - who determines and approves the performance measures;	*Yes – named data collection officer for each Performance Indicator (PI).* *Local Performance Indicators (LPI's) determined by Cabinet*
	- who receives reports on performance and how often;	*Yes - Cabinet report 19/11/2013 shows half year performance results for 2013/14 Also:* o *Monthly Performance Clinics at which the Chief Executive monitors the KPIs in the Corporate Plan.* o *The Corporate Plan, and associated KPIs, are refreshed annually.* *Results and targets reviewed at Performance Management Clinics. One of the benefits of the monthly Performance Clinics is that they provide an early opportunity to identify poor performance and to agree remedial action.*

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
	- how data quality is assured; - how performance data is captured and its integrity maintained; - how poor performance is addressed; - how performance is driven upwards over time • Reports resulting from internal or external reviews of performance management • Year-on-year comparison of achievement against performance targets (e.g. in annual reports) • Best value reviews, including benchmarking results • Departmental and/or service benchmarking results	*Audit Report by Internal Audit.* *Included in Performance Clinics reports. Benchmarking of PI results has been included in BVR's* *The Council is in the process of developing a benefits optimisation tool that will identify the priority areas for efficiency reviews. This includes a benchmarking section.*
2. Key performance indicators are established and monitored	• Appropriate key performance indicators (KPIs) have been established and approved for each service element and are included in departmental and service business/annual plans • KPIs have been developed and are monitored in respect of key partnerships • A robust monitoring system has been	*Yes – Included in Service Plans.* *Yes - For the Corporate Services PPP a performance framework has been agreed that includes a suite of K.P.Is these are monitored on a monthly basis via an*

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
	approved and implemented • There are regular reports on progress on delivering approved KPIs • There is an approved mechanism for reviewing the continuing suitability of KPIs and for securing continuous improvement	*Operations Board.* *Yes – Performance Clinics procedures*
3. The authority knows how well it is performing against its planned outcomes	• Regular reports are presented to members on the delivery of national, authority, departmental and partnership performance targets • Internal and external auditor's reports on key performance indicators • Key performance indicator risk scorecards • Use of Resources reviews and progress reviews against the action plans. • Monitoring reports on the achievement of local performance targets in the Local Policing Plan • Best Value Performance Indicators • Internal performance indicators • Regular budget monitoring reports (capital and revenue, current year and medium-term)	*Yes – See above re Performance Clinics.* *Reports on performance outturn are reported to members twice per year.* *Yes – IA report on performance indicators out turn and external audit review.* *Key PI's monitored via performance clinics.* *Use of Resources no longer applicable. Performance plus system in use* *Yes – see comment in C1 above* *Included in performance clinic reports.* *Regular reports to Cabinet on Revenue and Capital Budget Monitoring and the MTFP e.g.Cabinet report 22/10/2013*

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
		Regular meetings of Financial Planning Group.
	• Voluntary benchmarking exercises with peer groups	*Yes - Included in efficiency reviews and service reviews / options appraisals.*
	• National comparative performance measures against comparable authorities (e.g. QuAnTa data on comparative policing performance against 'most similar force')	*Yes –Use Audit Commission Comparative reports.*

	• Local Area Agreements and other strategic partnerships	*The Performance Clinics are based on the 'balanced scorecard' approach and primarily covers:*
		   o *Operational performance*
		   o *Financial performance*
		   o *Workforce Development*
		   o *Customer Experience*

	• Balanced score card • EFQM (European Foundation for Quality Management) model adopted	*The outturn reports on PPP are reported to Cabinet on a twice per year basis.*
	External audit/agency reports on performance	

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
4. Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes	• Monitoring reports are regularly presented to the appropriate committee	*Yes – Performance Monitoring report to Cabinet 19/11/13*
	• The reports include detailed performance results, both absolute and relative to peer authorities a clear indication of below target, on target and at, or above, target results, highlighting areas where corrective action is necessary	*Yes – The key measures in the Corporate Plan are reviewed at challenge workshops with Executive Members and the CMT.*
	• Committee reports on below par performance include 'SMART' action plans to improve performance	*Yes – reports to members include comments from Head of Service and Performance Clinics monitor action plans*
	• Performance targets in subsequent corporate and departmental and/or service business plans are revised in the light of actual performance	*Yes – targets reviewed as part of service plan preparation.*
	• Continuous improvement is strived for by increasing the difficulty of performance targets when they have been met over a period (e.g. year-on-year movements on KPI results)	
	• Performance trends are established and reported upon over the medium term and are fed into the corporate and departmental and/or service planning process	*Yes – one of the factors considered in reviewing targets.*
	• Performance targets are adjusted in	

(D)Performance Management arrangements are in place

Area of Assurance	Evidenced by	CBC Current Situation
	the light of the performances of peer authorities	
5. The authority continuously improves its performance management	• The performance management systems are regularly reviewed and updated to take account of changes in organisational structure, new performance measurement frameworks (i.e. new Government initiatives, new internal performance measures etc) and other factors	*Yes – performance clinic system.* *Performance management has been transferred to the Policy Section and a refreshed approach will be adopted in 2014/15. This will include the use of case studies.*
	• The performance management arrangements are revised in line with external or internal review of the arrangements	*Yes – see above.*
	• Performance management arrangements are reviewed to assimilate new techniques and/or technology e.g. developments in performance management information systems • Performance management arrangements are developed and monitored in relation to key partnerships	*Yes- Performance Management - new Performance Plus system introduced during 2011.*

Objective 2 – Identify principal risks to achievement of objectives

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk		
Area of Assurance	Evidenced by	CBC Current Situation
1. There is a written strategy and policy in place for managing risk which: • Has been formally approved at political and risk management board (or equivalent) level • Is reviewed on a regular basis • Has been communicated to all relevant staff • Includes partnership risks	• Existence of approved strategy and policy document • Evidence of formal approval (e.g. management board/committee minutes) • • Evidence of formal review (e.g. management board/committee minutes, document version number and date) • Evidence of communication strategy, possibly covered in strategy document • Examples of dissemination e.g. induction, briefings, awareness sessions, policy and strategy published on intranet, strategic diagnostic questionnaire results • Partnership risk registers	*Yes – Revised version approved by Cabinet / Council. Updated Strategy agreed by Cabinet 9/07/2014.* *CMT consider the strategic risks* *Yes – see above. The strategy is reviewed every year* *The Risk Management Group review risk registers.* *Articles included in Borough Bulletin and included on website and role of Risk Management Group in communicating risk management issues.* *Yes – Briefings to members, Service management teams, RMG Service representatives.* *Action Plan – Partnership Strategy to be reviewed in 2013/14 and significant partnerships re assessed. All partnerships to be re-evaluated by the end of 2015/16.*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
2. The authority has implemented clear structures and processes for risk management which are successfully implemented and: • Management board and elected members see risk management as a priority and support it by personal interest and input • Decision making considers risk • A senior manager has been appointed to "champion" risk management • Roles and responsibilities for risk management have been defined • Risk management systems are subject to independent assessment • Risk management is considered in the annual business planning process • Risk management extends to partnership risks	• Management board/committee minutes • Job descriptions of senior and operational managers and corporate risk manager • Internal audit reports and external audit comments on risk management system • CPA review comments on risk management • Annual business plans • Link between internal audit and risk management functions is clearly defined in terms of reference of internal audit • Responsibility for risk management function, including partnership risk management, is set at appropriate senior level • Committee reports setting out options for change include an appropriate risk assessment, including the 'no change' option	*Risk Management Report to Cabinet 9/07/13.* *Risk management is a mandatory part of all council and committee reports.* *Yes – in job description for Heads of Service.* *No Corporate risk manager, but Head of Finance leads on Risk Management.* *Internal Audit Review of Risk Management February 2014.* *No longer applicable.* *Service risks included in Service Plans.* *Yes – internal audit risk assessment considers Corporate Risk Register.* *Yes –Head of Finance to Lead on Risk Management. All Officers and members responsibilities are set out in the strategy* *Yes - Risk section now contained in reports to Cabinet - e.g. Cabinet Report on Housing Repairs budget 25/02/2014.*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
	• The corporate business plan and financial plan assess risks as appropriate and in particular take account of new and emerging risks facing the authority	*Yes –. Risks included in budget and MTFP report to Cabinet 18/02/14.*
	• Partnership risks are assessed before agreements are signed	*Yes – would be included in Cabinet report.*
3.The authority has developed a corporate approach to the identification and evaluation of risk which is understood by all staff	• Systematic procedures for risk identification and evaluation have been agreed and are consistently applied across all business units and partnerships • Examples of dissemination e.g. induction, briefings, awareness sessions, strategic diagnostic questionnaire results	*Service risks included in service business plans (risk and evaluation).* *Yes – Presentations have been held to Service Management Teams. Service representatives on Risk Management Group.*
4. The authority has well defined procedures for recording and reporting risk	• Evidenced by review of risk management strategy and policy • Examination of corporate risk register • Key risk indicators have been determined and there is evidence of monitoring against these risks • Evidence of regular and frequent reporting of risk to political and management board level • Evidence of risk based auditing being	*Yes – included in Risk Management Strategy.* *PSN has been added to the strategic risk register in 2013/14* *An in year review was undertaken in February 14* *Included in Annual Report on Corporate Risks.* *Corporate Risks reviewed by Cabinet July*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
	carried out • Evidence of risks not properly addressed identified in internal audit reports etc being fed into the risk management process • Environmental scanning reports are fed into the risk management process so as to identify new and emerging risks	*13. Cabinet Reports include a section on Risk.* *Internal Audit plan based on a risk assessment that considers Corporate risks as one of the factors.* *Would be raised by Head of Internal Audit in reports or at RMG if relevant issue arose.* *Yes – part of role of Risk Management Group is to discuss and consider emerging National and other risks.*
5. The authority has well-established and clear arrangements for financing risk	• Evidence that the authority's policy for risk financing is regularly reviewed in the light of costs and alternative risk mitigation strategies • All legal requirements for insurance are met • Evidence that self-insurance provisions are subject to annual independent actuarial valuation and that contributions to the fund are adjusted accordingly • Insurance claims being managed in accordance with 'Woolf' principles • Evidence of monitoring the incidence of successful and unsuccessful claims and of feeding the results back into the policy for risk financing accordingly	*Yes – Risk financing on individual projects / schemes considered within the initial project evaluation report.* *There is a risk management budget* *Yes – insurance arrangements reviewed every three years.* *Yes – Insurance broker advises on the contributions to self insurance fund annually. Working Group on Insurance Claims.* *Yes – reported to Risk Management Group meetings.* *Claims summary details reported to Risk Management Group.*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
6. The authority has developed a programme of risk management training for relevant staff	• Training programme for risk management • Training needs analysis (both specialist staff development and general awareness) • Regular newsletter or other means of communicating risk management issues to staff • Induction programme includes risk management • Appropriate responsibilities for risk management incorporated into job descriptions and appraisals	*In 2013/14 some of the risk management budget was utilised for Stress Management Awareness Training and driver training.* *Action plan – Refresher training for staff and members on risk management should take place (This is planned by December 14)* *Induction program refers to Corporate Policies available on the Intranet.* *Yes – included in Job Descriptions.*

7.The corporate risk management board (or equivalent) adds value to the risk management process by:
   o Advising and supporting corporate management team on risk strategies
   o Identifying areas of overlapping risk
   o Driving new risk management initiatives
   o Communicating risk management and sharing good practice
   o Providing and reviewing risk management training
   o Regularly reviewing the risk register(s)
	• Corporate risk management board or equivalent terms of reference
	• Minutes of corporate risk management board
	• Reports to corporate management team
		Yes – Risk Management Group Terms of reference detailed in RM Strategy.
		
		Yes – areas of new / emerging risks are reported to RMG.

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
• Coordinating the results for risk reporting		

8. A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice and:
   o Support decision making and policy formulation
   o Provides support in the risk identification and analysis process
   o Provides support in prioritising risk mitigation action
   o Provides advice and support in determining risk treatments
   o Inspires confidence in managers
	• Job description of corporate risk officer
	• Key task matrix of corporate risk officer
	• Evidence of the corporate risk officer reporting to corporate management team on risk management issues
	• Evidence of training on current risk management topics / membership of appropriate organisations (e.g. ALARM)
	   • Use of consultancy
		Yes - Head of Finance to act as Lead Officer and chairs Risk Management Group.
		Regular reports are submitted to the Corporate Management Team (through WBR input to Council/Cabinet reports) e.g. report to Full Council 27th July 2013.
		
		CBC are a Member of ALARM (Association of Local Authority Risk Managers).

9. Managers are accountable for managing their risks	• Evidence of manager involvement in risk identification and analysis process • Risk owners detailed in corporate /departmental risk register(s) • Risk owners assigned in relation to key partnerships • Job descriptions of managers outline	*Yes – managers are involved in determining Service and Corporate risks.* *Yes – Corporate and Service risks are allocated to named officers.* *Yes – in Heads of Service Job descriptions.* *Reviewed as part of update of Service Plans.* *Yes – included in Heads of Service Job*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
	their risk management responsibilities	*descriptions.*
	• Evidence of (at least) annual review of risk at service/operational levels • Analysis of completed control and risk self-assessment questionnaires	*Yes – updated in each years service plan.*
10. Risk management is embedded throughout the authority	• Evidence of a general risk management culture at all levels	*Yes - progress evident e.g. examples of risk management sections in Cabinet reports, report to Council.*
	• Risk management training programme	*Yes – see above.*
	• Evidence of managers involvement in risk management aspects of business planning • Results of strategic diagnostic survey to ascertain the extent to which risk management is understood by each category of officer (senior management, operational managers etc) and members	*Part of Corporate service planning process. Service and team plans include a risk analysis and action plan.*
11. Risks in partnership working are fully considered	• Evidence of risk assessments being undertaken before the commencement of major projects, preferably in the report on which the decision to proceed is based	*Yes – risks will be considered as part of any report on a major decision. E.g. MTFP Report to Cabinet 18/02/14.*
	• Evidence that risk assessment are regularly reviewed during the project period	*Yes – part of project monitoring process- see Project Board and Project Toolkit information reported to CMT 22/02/12.*

(A) The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Area of Assurance	Evidenced by	CBC Current Situation
	• Evidence that potential partners are required to produce and submit risk assessments	*Yes – will be part of PPP monitoring report.*
	• Evidence that partnership arrangements are reviewed in terms of risk before they are entered into and, subsequently, that the risks are reviewed	*Yes. – this would be part of the Cabinet Report.*
	• Evidence that there are effective arrangements in place for risk sharing (e.g. in the partnering contract terms and conditions)	*Yes – see PPP reports.*
12 Where employed, risk management information systems meet users' needs	• Evidence of risk information being updated promptly • Review of accuracy and usefulness of output from information systems • Evidence that users were/are consulted on initial implementation and further development • Interviews with users to assess suitability of the system for their needs	*Currently CBC has determined not to acquire a risk management information system. Currently held as 'Word' documents.*

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

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks		
Area of Assurance	Evidenced by	CBC Current Situation

1. There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff:
 	
    • Authority has adopted CIPFA code on Treasury Management
  • Compliance with the Prudential Code
	• Financial regulations and instructions exist are reviewed & updated regularly
	• Evidence of formal approval
		Yes – Updated in 2011 to take account of management re-structure and member portfolio restructure.

	• Examples of dissemination e.g. induction, briefings, awareness sessions, accessible in finance manuals and/or on intranet site	*Yes – included on intranet as part of Constitution and covered on induction*
	• Reports to audit committee or equivalent confirming compliance or identifying extent of non-compliance with regulations and instructions	*Reports submitted to Standards & Audit Committee on Internal Audit reports issued. Failure to respond to audit reports would be reported.* *CMT also receive reports on a quarterly basis.*
	• Report approving annual treasury management and investment strategy	*Yes – Prudential indicators and prudential borrowing limits approved by the Council (Council 27/02/14).*
	• Outturn report on treasury mgt.	*Yes – Treasury Management and Investment Strategy Report to Council 27/02/14.*
	• External audit assessment of	

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Area of Assurance	Evidenced by	CBC Current Situation
	compliance with Prudential Code • Results of Use of Resources assessment of internal control KLOEs	*Yes - External Audit would comment if necessary as part of annual audit letter.* *Use of Resources / KLOE no longer applicable.*
2. There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff	• Standing orders exist are reviewed and updated regularly to cover new procedures such as partnering arrangements and on-line tendering • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible in finance manuals and/or on intranet site	*Part – Contract Procedure Rules (Part 4 Constitution) being updated as part of Constitution review. Procurement Policy in place but out of date.* *Action Plan –* *Complete Review of Contract Procedure Rules (July 14).* *Update procurement strategy (Dec 14)* *Action Plan – Corporate procurement training to be arranged by September 14.*
3. There is a whistle blowing policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	• Whistle blowing policy exists and has been reviewed and updated regularly • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible on website and intranet site	*Policy reviewed 2010.* *Action Plan – The Whistle blowing Policy is in need of review* *The whistleblowing policy was advertised in the Borough Bulletin in March 2014* *Yes – Approved by Joint Cabinet and*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Area of Assurance	Evidenced by	CBC Current Situation
	• Evidence of effectiveness of policy (e.g. reports on incidence of usage, evidence on annual declarations on fraud to Audit Commission)	*Employment and General Committee 21/09/10.* *Reference to Whistle blowing Policy included in Anti Fraud, bribery and Corruption Strategy.* *Limited incidence of fraud / reports.*
4. There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	• Counter fraud and corruption policy exists and has been reviewed and updated regularly • Evidence of formal approval • Examples of dissemination (briefings, induction, awareness sessions, accessible on website and intranet site • Evidence of effectiveness of policy (e.g. reports on identified frauds; annual AF70 returns to Audit Commission, reports on results of National Fraud Initiatives) • Review of register of gifts and hospitality	*The Anti Fraud, Bribery and corruption policy was reviewed and approved by the Standards and Audit Committee in September 2013 and advertised in the Borough Bulletin* *The policy is on the internet and intranet* *Yes – low incidence of fraud as reported on Audit Commission returns. National Fraud Initiative results reviewed.* *Yes – Regular review of register in IA plan.*
5. There are codes of conduct in place which have been formally approved and widely communicated to all relevant staff	• Codes of conduct have been agreed, including national schemes (e.g. police officers) • Evidence of formal approval	*Yes – Employees and Members Codes adopted.* *Yes - included in Constitution (Part 5).*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	• Examples of dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site	*Yes – Members and Officers induction courses, on intranet site as part of Constitution and included in Employee handbook.*
6. A register of interests is maintained, regularly updated and reviewed	• Inspection of register of interests (members and staff) • Evidence of regular updating and review by senior officer(s)	*Yes – Register of Members interests is maintained and reviewed by Monitoring Officer. Periodic reminders issued. Officers declare any issues to relevant Head of Service,*
7. Where a scheme of delegation has been drawn up, it has been formally approved and communicated to all relevant staff	• Scheme of delegation incorporates adequate controls and sanctions • Evidence of formal approval • Examples of communication and dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site • Regular reports on the operation of the scheme (e.g. compliance, budget monitoring, year-end balances)	*Yes – included in Part 3 of Constitution.* *Yes – as part of approval of Constitution. It has been reviewed and updated in 2011 post the Arvato outsourcing contract transfer. It is also being subject to further review by the Constitution Review Working Group.* *Yes – briefings held at time Constitution revised. Included in Public Folders on Intranet Site.* *Budget monitoring reports submitted quarterly to Cabinet, Lead member and Officer delegations reported as required in minutes e.g. delegated planning decisions.*
8. A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff	• Procurement policy exists and has been reviewed and updated regularly to take account of new initiatives e.g.	*Action plan - The Procurement Strategy requires updating*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Area of Assurance	Evidenced by	CBC Current Situation
	drive towards wider consortia arrangements, shared services • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, accessible on intranet site • Evidence of effectiveness of policy (e.g. benchmarking results, best value review, internal/ external audit review)	*.* *No – Need to arrange training See 3A2 Action Plan – develop training programme* *.*
9. Business/service continuity plans have been drawn up for all critical service areas and the plans: • Are subject to regular testing • Are subject to regular review	• Current business/service continuity plans exist covering all critical service areas and are readily accessible • Evidence of regular testing • Evidence of regular review in the light of the results of testing and for changes in structures, procedures, information systems, responsibilities etc	*Business Continuity and Plan adopted December 2005 – Cabinet Report 12/12/05 – Minute 0154. The Business Continuity Plan was last updated November 2012. Service Business Continuity Plans compiled.* *Plans are tested on an annual basis and reviewed in the light of testing.* *Evidence of testing of Business Continuity Plan Procedures e.g.* *Lessons learned sessions held e.g. after power surge in 2013.* *New proposals have been tabled by Arvato (April 2013) to add extra resilience to IT recovery* *Plans have also been tested during adverse weather conditions*
10. The corporate/departmental risk register(s) includes expected key controls to manage principal risks	• Risk register sets out principal risks and sets out appropriate key controls to manage them	*Yes – Corporate Risks identify current control measures and level of residual risk. Service Risks are reviewed as part of*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Area of Assurance	Evidenced by	CBC Current Situation
	• Key controls are monitored, reviewed and updated regularly	*service planning.* *Yes – Corporate risks subject to review Cabinet Report July 13. Service Risks reviewed when annual service plan updated.*
	• Use of risk management workshops to underpin the process and review of register and key controls	*Yes – Heads of Service / Corporate Management Team involved in review of corporate risks.*
	• Risk owners are assigned to manage principal risks	*Yes – Responsible officers Identified in risk register*
	• Partnership risks are considered	*Partnership risks considered as part of the evaluation of partnerships.*
11. Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed	• Appropriate key risk indicators are documented • Evidence of regular monitoring • Evidence of changes in risk indicators (and reasons for change) emanating from appropriate information sources (e.g. where internal audit findings are used to change the perceived level of risk)	*Changes in both Strategic and Service risk profiles would be considered as part of the annual review of the Strategic Risk Register and when Service risks are updated in the Service plans.*
12. The authority's internal control framework is subject to regular independent assessment	• Internal audit plans and reports	*Yes – Internal Audit Plan approved by Standards Committee April 2013. Summary of reports issued reported quarterly to Standards and Audit Committee .*
	• Annual report/opinion of Head of Internal Audit	*Yes Internal Audit Annual report reported to Standards Committee in June each year.*
	• External audit reports	*CMT also receive a quarterly summary of the audit reports issued for review,*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	• Use of Resources assessment reports	*monitoring and action.* *Yes – External Audit annual audit letter.* *No longer applicable.*
13. A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all relevant staff	• Corporate safety policy exists and has been reviewed and updated regularly • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, inclusion of policy on website and intranet site • Evidence of effectiveness of policy e.g. number of cases investigated by Health & Safety Executive	**In 2013/14 Zurich Municipal undertook a health and safety audit.** *The Corporate Health and Safety Policy was reviewed in 2013* • *The Safety Committee is informed at each quarterly meeting of all accidents, incidents, near misses and dangerous occurrences. They are also informed of any major accident investigations undertaken by Service Managers on the advice and guidance of the Safety Unit.* *The Council's performance against its Corporate Health and Safety Improvement Plan is reported to Safety Committee on a quarterly basis.*

(A) The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	• Review of number of reported accidents / incidences / 'near misses' / dangerous occurrences	
14. A corporate complaints policy/procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other stakeholders is regularly reviewed	• Complaints policy/procedure exists and has been reviewed and updated regularly • Procedure is compliant with all relevant statutory requirements • Evidence of formal approval • Examples of dissemination e.g. induction, briefings, awareness sessions, inclusion of policy on website and intranet site • Leaflets/posters highlighting complaints procedure • Complaints files • Committee reports summarising complaints dealt with analysed by outcome	*Customer Services Charter and Complaints Policy adopted by Cabinet 27/01/09 and approved by Standards and Audit Committee 29/05/09.* *Leaflets held in reception areas and on internet / intranet.* *Reports being submitted to WBR , but no regular reporting to members.* *The 3C's system has been improved to facilitate trend analysis.* *CMT are now issued with service area summary documents*

Objective 4 – Obtain assurance on the effectiveness of key controls

(A) Appropriate assurance statements are received from designated internal and external providers:		
- The Authority has identified appropriate sources of assurance – Appropriate external assurances are identified and obtained.		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
1. The authority has determined appropriate internal and external sources of assurance	• Minutes of committee at which report on assurances was considered • Sources of assurance are appropriate to the authority	**The Assurance Statement will be agreed by WBR, Heads of Service, the Executive Member for Governance, Cabinet and by the Audit and Standards Committee at its meeting on the 27th June 2014. These groups will consider whether the sources of assurance are appropriate.**
2. Appropriate key controls on which assurance is to be given have been identified and agreed	• Briefing notes, guidance, instructions etc given to appropriate managers regarding what is expected of them	**These are identified within the Assurance Statement and have been considered during this review.**
3. Departmental assurances are provided	• Departmental heads sign off on adequacy of controls (i.e. provide annual governance assurance statements) • Supporting documentation provided by departmental heads re review and monitoring arrangements that key controls have been in operation for the period and will continue to operate until accounts signed off. *(Structured process and standard documentation to ensure consistency of coverage and common understanding of level of assurance given)* • Completed Control & Risk Self-Assessment questionnaires	**The Statement will be signed off at WBR after consideration by Service Heads, Relevant supporting documentation is referred to throughout this Governance assurance statement.**

(A) Appropriate assurance statements are received from designated internal and external providers: - The Authority has identified appropriate sources of assurance – Appropriate external assurances are identified and obtained.		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	• Annual governance assurance statements evaluated by officer team or committee charged with the responsibility of preparing the AGS. Evaluation to include 'reality checking' of sample of assurance statements	
4. External assurance reports are collated centrally • Reports are reviewed by relevant senior management team and reported to appropriate committee • Action plans are prepared and approved as appropriate • Follow up reports on recommendations are requested and reviewed by relevant senior management team and progress is regularly reported to relevant committee	• Sources of external assurance relevant to authority are identified and agreed, including partnerships • External assurance reports will vary according to type of authority and could include comment and input from the following (the list is not exhaustive): • Audit Commission • External Auditor (either from direct audit work or from work jointly commissioned) • Social Services Inspectorate • Use of Resources assessment • PURE assessment (police service) • Best Value Reviews • HMIC • Police Standards Unit • Home Office commissioned reports • Corporate Management Team minutes • Follow up reports to appropriate committee	**All reports from external inspection and internal audit are reported appropriately to senior management and to an appropriate Committee. The responsible officer is required to ensure that any accepted recommendations are implemented.**
5. Internal Audit Arrangements	• Reports of Head of Internal Audit to audit committee or equivalent throughout the year • Annual report of Head of Internal Audit,	**A summary of all Internal Audit reports and their overall conclusion is considered by the Standards and Audit Committee. The Annual Report of the Head of Internal**

(A) Appropriate assurance statements are received from designated internal and external providers:		
- The Authority has identified appropriate sources of assurance – Appropriate external assurances are identified and obtained.		
Area of Assurance	**Evidenced by**	**CBC Current Situation**
	including opinion on internal control and risk management framework	**Audit is considered by the Standards and Audit Committee.**
6. Corporate Governance Arrangements	• Annual corporate governance assurance statement • Internal or external audit review of corporate governance arrangements Monitoring reports to committee on delivery of action plans in response to reviews of corporate governance	**The Corporate Governance Statement will be considered by the Standards and Audit Committee.** **Other relevant reports will be taken to either the Standards and Audit Committee or to Cabinet where appropriate.**
7. Performance monitoring arrangements	• Annual and in-year reports on delivery of key performance indicators by internal and/or external review agencies	**These will be considered by Cabinet.**

Objective 5 – Evaluate assurance and identify gaps in control/assurances

(A) The Authority has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls		
Area of Assurance	**Evidenced By:**	**CBC Current Situation**
1. Responsibilities for the evaluation of assurances are clearly defined throughout the organisation.	• Minutes of committee meetings • Training plans • Job descriptions • Committee terms of reference	**The Constitution makes clear the respective role of the Council, the Cabinet and the role of Standards and Audit Committee to act as independent assurance.** **Relevant officers receive appropriate training in order to ensure that they are in a position to offer appropriate guidance to ensure that the assurance framework is robust.**
2. Mechanism established for collecting governance assurances	• Terms of reference and key responsibilities	**The Head of Internal Audit along with Heads of Service have overall**

(A) The Authority has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls		
Area of Assurance	**Evidenced By:**	**CBC Current Situation**
• Overall responsibility allocated to governance senior officer group • Required assurances are agreed and recorded • Central record of all assurances (either evidence file, or showing clear link to where evidence is held) • Clear guidance as to evaluation procedure including assurance over risks, independence and objectivity of assurances • Defined evaluation mechanism • Timetable for completion by statutory , deadline Gap assessment – performed and challenged	• Record of assurances required and received is held and is complete • Approved written guidance re evaluation procedure • Scoring matrix/methodology *(Not all assurances are suitable for grading; many will be subjective anyway. Key points are that there is a consistent and reliable assessment process and that the conclusions drawn are in line with the evidence produced)* • An agreed timetable, allowing for in-year evidence gathering and assessment and for the period between the year-end and the date of the governance assurance statement (timetable driven by that for the production of the annual statement of accounts) • Gap assessment results and actions arising • Minutes of meetings • Annual report of Head of Internal Audit – including opinion on internal control and risk management framework • Reports of external auditor and other external review agencies	**responsibility for gathering the evidence regarding the assurance framework.** **All evidence re the provision of assurances will be maintained.** **The Head of Internal Audit has the role of preparing a draft statement, which is then quality assured and challenged by WBR, Cabinet and by the Audit and Standards Committee.** **A formal timetable is in place for the production of the AGS, which allows time for independent review and challenge.** **An action plan is produced in respect of any identified gaps** **The annual report of the Head of Internal Audit includes an opinion on internal control and the risk management framework.**

Objective 6 – Action plan to address weaknesses and ensure continuous improvement of the system of Corporate Governance

(A) There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored		
Area of Assurance	**Evidenced By:**	**CBC Current Situation**
1.An action plan is drawn up and approved	• Prioritised action plan, setting out actions, responsibilities and timescales, approved at appropriate level • Minutes	**An Action Plan is drawn up in respect of any issues identified whilst preparing the Annual Governance statement which is approved by the Standards and Audit Committee.** **Action is then monitored by CMT**
2.All actions are 'SMART': • Specific • Measurable • Achievable • Realistic Time-bound	• Each action on prioritised action plan is compliant with 'SMART' test	**The Council ensures that all recommended actions accord with the SMART criteria.**
3. Actions communicated and responsibilities assigned	• Responsibilities for each action are defined in action plan • Evidence of distribution of action plan to those who require it	**Responsible Officers are assigned to all agreed actions.**
4. Implementation timescales agreed	• Target dates included in action plan	**Timescales are incorporated into all Action Plans and Recommendations.**
5. Ongoing review of progress and of continuing appropriateness of action	• Timetabled reviews • Minutes • Progress reports • Internal audit or other review of implementation of agreed actions	**Reviews and Monitoring are built into all Action Plans, with progress reports formally reported to Committee where appropriate.** **Agreement to internal audit reports is monitored by Senior Management and by the Internal Audit service.**

Objective 7 – An annual Governance Statement has been drafted in accordance with the statutory requirements and timetable set out in the Accounts and Audit Regulations 2003, as revised by the Accounts and Audit (Amendment) (England) Regulations 2006, and is in accordance with CIPFA guidance.

(A) There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored		
Area of Assurance	**Evidenced By:**	**CBC Current Situation**
1. Responsibility for the compilation of the Annual Governance Statement has been assigned to a team drawn from appropriate disciplines and having sufficient seniority	• Documented key responsibilities • Minutes	**The Head of Internal Audit, Heads of Service and WBR are all involved in compiling the statement.**
2. There is an Annual Governance Statement production timetable that meets the statutory deadline	• Annual Governance Statement timetable is linked to that for the preparation of statutory accounts	**AGS Timetable in place to provide AGS to Audit and Standards Committee on the 27th June 2014.**
3. The Annual Governance Statement is reviewed, challenged and approved by the authority	• Terms of reference assigned to senior officers group • Annual Governance Statement is compliant with CIPFA guidance • Minutes	**The Timetable is designed to allow an adequate process of discussion with Senior Officers, Members and the Standards and Audit Committee.** **In drawing up the Statement consideration has been given to CIPFA / SOLACE guidance.**
4. The Annual Governance Statement incorporates all the required elements of the statement on internal control	• Format of Annual Governance Statement clearly incorporates required elements of the statement on internal control • Annual Governance Statement is prepared by a senior officer group under terms of reference defined by the authority • Statutory timetable is followed	**The AGS follows good practice, and will incorporate all required elements of the statement on internal control.** **The timetable for the production of the AGS has been structured around the Statutory Timetable.**

Objective 8 – An annual report to the authority (or delegated committee) on the Annual Governance Statement is presented, in accordance with the CIPFA pro forma

(A)		
Area of Assurance	**Evidenced By:**	**CBC Current Situation**
1. Responsibility for reporting is clearly defined	• Initial report explaining the requirement to produce an annual governance statement incorporating the SIC should establish the reporting arrangements / responsibilities of all involved and set out who should sign the annual governance assurance statement after approval by the authority or designated committee • Reports identifying any changes to initial arrangements	**The report to the Standards and Audit Committee sets addresses roles and responsibilities.**
2. The signatories to the annual governance statement and SIC are defined and are appropriate in accordance with statutory requirements (i.e. Most senior officer and most senior member of the organisation)	• As above	**The final statement will be signed by the Leader and Chief Executive.**
3. The report is likely to be published in a timely fashion with the statutory accounts	• Assessment of the current position in relation to the statutory deadline	**The final agreed version of the AGS will be produced and approved by the Standards and Audit Committee on the 27 June 2014.**