FOR PUBLICATION

REVIEW OF CODE OF CORPORATE GOVERNANCE AND THE ANNUAL GOVERNANCE STATEMENT

MEETING:	1. **CABINET MEMBER FOR GOVERNANCE**
	2. **CABINET**
	3. **STANDARDS AND AUDIT COMMITTEE**
DATE:	1. **8 JUNE 2015**
	2. **16 JUNE 2015**
	3. **24 JUNE 2015**
REPORT BY:	**CORPORATE MANAGEMENT TEAM**
WARD:	**ALL**
COMMUNITY ASSEMBLY:	**ALL**
NON KEY DECISION NO.	**37**

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS:
Accounts and Audit (England) Regulations 2011 and 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

1.0 **PURPOSE OF REPORT**

1.1 To review compliance with the Code of Corporate Governance requirements during the year 2014/15 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 2014/15 (Appendix 1);
   b) the Annual Governance Statement (Appendix 2);
   c) the Annual Governance Statement Action Plan (Appendix 3).

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 **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 1) has been revised again following the issue of a further Guidance Note and Addendum in 2012 by CIPFA/SOLACE.

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 Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 and 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.

4.0   REVIEW OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE REQUIREMENTS

4.1   The Review in Appendix 1 shows that compliance with the Code requirements has been largely achieved during the year 2014/15.

5.0   THE ANNUAL GOVERNANCE STATEMENT

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

5.2   The guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) has been used when reviewing the assurances and producing the Annual Governance Statement (Appendix 2).

5.3   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 Head of Business Transformation, the Executive Directors, the Interim Head of Audit and Policy Manager.

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

5.5   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 3. The items in the Action Plan have been ranked, with the more significant issues being included in the Annual Governance Statement (Appendix 2) that will be published with the Council's Statement of Accounts.

5.6   The Annual Governance Statement (Appendix 2) 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.

6.0 RISK MANAGEMENT AND EQUALITIES

6.1 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.

7.0 EQUALITIES

7.1 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.

8.0 RECOMMENDATIONS

8.1 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 2014/15 (Appendix 1);
b) the Annual Governance Statement (Appendix 2);
c) the Annual Governance Statement Action Plan (Appendix 3).

8.2 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.

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

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

9.0 **REASON FOR RECOMMENDATIONS**

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

9.2 In order to comply with the requirements of the Accounts and Audit Regulations 2011 and 2015.

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

CORPORATE MANAGEMENT TEAM

For further information on this report contact Jenny Williams Ext 5468.

Officer recommendation supported.

S.L.Blank.

Signed   Date 8.6.2015

Cabinet Member Governance

Assistant Cabinet Members' comments (if any)

Chesterfield Borough Council
Local Code of Corporate Governance – 2014/15 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	• 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.	• A new 2015 – 2019 Council Plan was approved by Council on the 26th February 2015, which included confirmation of the same vision as the previous Corporate Plan. The vision and priorities are cascaded down through SLT, CMT, managers breakfast seminars, team meetings and the Borough Bulletin. • The new Council Plan was made available to inform Service Plans and regular EPD's • In October 2014 a new Community Engagement	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				Strategy2014 – 2017 was 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	Record the review of: • The authority's vision • The governance code	• The Corporate Plan is refreshed annually (February 2014 and February 15). • 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	Yes

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 Corporate Plan and Performance Targets. • 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	Partial

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 • Place Survey • Corporate Plan performance indicators • Service Specific Surveys • Quality assurance audits are undertaken in some service areas.	Yes
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 and regular challenge at FPG of the financial performance of services. • Regular reports summarising comments and complaints submitted	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				to Corporate Management 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.					
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	• 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.	• All employees to undertake lean training some of which started in 2013/14 and has been on going 2014/15. • A benefits optimisation tool has been developed by the Business Transformation service and this will help in the preparation of a programme of lean reviews. The tool is being trialled by several services. • Value for Money included as part of Performance Clinics • 'Lean' reviews in some areas. • Undertake benchmarking of services. • Revised Business Transformation Strategy approved in 2012 and runs to March 2015.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• Are you being served survey undertaken every 2 years which includes a measure on their perception of VFM. • Benchmarking clubs used e.g. Housemark for Housing	

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.	Head of Governance	• Publish job descriptions for the leader of the authority and chief executive • Member / officer protocol • Constitution	• Parts of the Constitution have been revised in 2014/15 and parts are still in the process of being revised. • Constitution Part 3 allocates responsibilities amongst executive members and of the executive as a whole. Each officer report identifies which executive member(s) portfolio(s) the content of the report comes under. The decision is then made individually (by the executive member) or collectively according to the rules in Part 3. Where a function is for an individual member to carry out, he or she may at her discretion refer a	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				decision up for collective decision by the executive. • Role Profiles for Council Members • Code of conduct and advice on its use • Planning and licensing Codes of Conduct • Terms of reference of non-executive committees and bodies • Member/Officer protocol: • Management Code (for senior officers)	
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 specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.	Head of Governance	• Scheme of delegation reviewed at least annually in the light of legal and organisational changes • Standing orders and financial regulations which are reviewed on a regular basis	• The Constitution contains the Scheme of delegation. Parts of the Constitution have been updated in 2014/15 and other parts are in the process of being updated.	Yes
2..2.2	Make a chief executive or	Leader /	• Statutory provisions	• The Chief Executive is	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	equivalent responsible and accountable to the authority for all aspects of operational management.	Executive Members	• Conditions of employment • Up-to-date job description / specification • Appraisal arrangements • Robust performance management system	the designated Head of Paid Service, with the statutory responsibility for the overall monitoring and review of the council's staffing and operation.	
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 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	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				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 financial records and accounts, and for maintaining an effective system of internal financial control.	CE / Leader / Executive Members	• Section 151 responsibilities • Statutory provision • Up-to-date job description / specification • 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	• The section 151 officer is appointed and his role is clear and transparent. He has appointed a Deputy. He reports regularly to members and to relevant officers through regular diaried and minuted Financial Planning Group meetings. There is close liaison between the Head of the Internal Audit Consortium and the CFO. • Compliance with the CIPFA statement on the Role of the Chief Financial Officer and the role of the Head of	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			in its annual governance statement	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 to expect of the other.					
2.3.1	Develop protocols to ensure effective communication between members and officers in their respective roles.	Head of Governance	• 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	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				reports. • The Council's culture encourages informal communication whenever needed. • The Corporate Management Team and Political Cabinet have joint workshops on a regular basis to discuss strategic issues.	
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 – Head of Governance 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 procedures	• Job evaluation maintained. • As well as reporting of external inspections (including reviews of accreditations e.g. IIP), and customer surveys, there is integration of the performance monitoring system, Individual EPD's and Service Plans. • Role Profiles for all Member's roles agreed by Council 14/12/11 • An Independent Remuneration Panel	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				Protocol agreed by Council 28/09/11 • Recommendations of the Independent Remuneration Panel's review of the members' allowances scheme agreed by Council 11/01/12. • Senior Pay Policy adopted by Council 26/02/15.	
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	• Corporate Plan updated and published during 2013/14 and again in February 2015. • Performance monitoring reports are presented to Cabinet twice a year covering progress against the Corporate Plan priorities. • However, regular reporting against service plans and consideration of detailed PI's corporately has not taken place during 2014/15. This is a development	No

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				area for 2015/16.	
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 stakeholders, and that they are clearly articulated and disseminated	CE / Executive Directors Service Heads	• Business and financial planning processes established to deliver strategic objectives • Protocols for consultation • Statutory guidance is followed	• The revised 2014/15 Corporate plan was approved at full Council the 27th February 2014. • CBC has a full programme of Community Engagement activity as detailed in the Community Engagement Strategy and Plan.	Yes
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	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	• Key partnerships substantially satisfy these requirements. • Joint Board Constitution	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	organisation to partner decisions.		who support the partnership • a statement of funding sources for joint projects and clear accountability for proper financial 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 • Leader and Chief Executive "Open Door" sessions • Para. 11 of the protocol on member/officer Relations • IIP Accreditation and Review report	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	Head of Governance / 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 components of regular members' and employees' induction and other training courses. • The Constitution includes a Members Code of Conduct with the current version being effective from 1/07/12 – after the Localism Act changes to the Standards system took effect. • Advice is issued to	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				members by the Monitoring officer/standards and audit committee. • The council supplements legal 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	Head of Governance	• Standing Orders, financial regulations and codes of conduct, all reviewed and updated on a regular basis • Register of Interests	• The council supplements legal requirements (e.g. members' register of gifts and hospitality) with additional voluntary and	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	place appropriate processes to ensure that they continue to operate in practice		(members and staff) • Provision of ethical awareness training • Procedures for dealing with conflicts of interest • Up-to-date register of gifts and hospitality	non-statutory arrangements such as the register of gifts and hospitality offered to employees and the register of gifts refused by councillors. • 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 • Vision / Corporate Plan	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• Protocols on Member / Officer relations. • Leadership Development Training Programme for CMT • Joint Working Protocol • Joint Sustainable Community Strategy • IIP Review Report • Protocol on Service Reviews and TUPE Transfers agreed with local unions	
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.	Head of Governance	• Codes of Conduct	• Effective reciprocal system for borrowing independent members / Monitoring Officer from neighbouring authority where necessary for panels and hearings. • From July 2012 the role of independent member and chair of standards (&audit) committee will be replaced, by an elected member. • Constitution and advice to members underpinned by ethical framework • Monitoring Officer/Deputy	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• attend member and officer meetings at all levels • Induction and refresher training on code of conduct for all members	
3.2.3	Develop and maintain an effective standards committee	Head of Governance	• 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
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	Head of Governance & CE / Executive Directors Service Heads	• Decision-making practices • Evidence that shared values have guided the decision making	• Core Values • 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) • Cabinet minutes recording gratitude to officers for	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				specific projects • Joint workshops of Executive Members and Heads of Service to discuss major issues.	
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.	Head of Governance 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 ToR • Derbyshire Scrutiny Liaison Group ToR • Constitution Part 2 - provides for wide participation of non-executive councillors in flexible and responsive review panel arrangements. • New Scrutiny arrangements agreed by Council 14/12/11.	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.	Head of Governance	• 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 considerations including risk	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				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.	Head of Governance	• 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 from the code of conduct (e.g.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				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.	Head of Governance & Head of Internal Audit Consortium	• 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 circulated 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 along with the Head of Governance • 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 regulations • Counter- fraud	• 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 • Risk Management training has been provided in 2014/15	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
			arrangements are in place and operating effectively	• Strategic Risk register reviewed • 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.	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.	Head of Governance	• 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 placed on local authorities by public law.	Head of Governance	• Record of legal advice provided by officers	• Constitution is underpinned by legal references (e.g. caselaw on decision-making Part 2 Article 13) • Planning and Licensing Codes of Conduct	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
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.	Head of Governance	• 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 and Head of Paid Service have relevant professional qualifications and experience.	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• 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					
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 - Head of Governance 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 - advice on how to act as an	• 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
			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	• Scrutiny Board has reviewed each portfolio holder's performance at special scrutiny board meetings	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 needs	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• 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	Head of Governance & Executive Directors	• Corporate 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
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 Corporate 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.	Head of Governance	• 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/ Head of Governance	• 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	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
				• Equality and Diversity 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.	
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		• 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

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	community have different priorities and establish explicit processes for dealing with these competing demands.				
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 Corporate Plan.	Yes
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,	CE / Executive Directors/Service Heads	• Constitution • Freedom of Information Act publication scheme • Council tax leaflet • Authority website	• Protocol on Service Reviews. • Communications Strategy • Media Protocol. • Joint Board meetings are open to the public	Yes

Ref.	Code Requirement	Responsibility	Suggested Documents / Evidence to confirm compliance	CBC Situation	Compliance Achieved
	including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.			• Community Assemblies offer public participation in decision making and consultation • Website/Social media • Policy to debate issues on the open agenda wherever possible	

Supporting Principle 6.3 – Making best use of human resources by taking an active and planned approach to meet responsibilities to staff

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

Notes:

CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT

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 2011 4(3) and 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 2015 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 2014. 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 plan set out 5 key projects for 2014 – 15:-

- To complete the first year of the Great Place, Great Service programme to transform the way we deliver council services.
- To begin work on building the new Queen's Park Sports Centre.
- To begin the first phase of the Chesterfield Waterside regeneration scheme.
- To deliver the Decent Homes Standard for council homes.
- To build Parkside Sheltered Housing Scheme.

Amongst many other achievements during 2014/15 the Council has:-

- Brought all council homes up to the Decent Homes Standard
- Started building the new Queen's Park Sports Centre which is due to open in January 2016
- Completed the Parkside Sheltered Housing Scheme
- Provided some new affordable housing at Chesterfield Waterside
- Gained approval for the Local Plan
- Achieved the Green Flag Award for 4 of our parks
- Refurbished play facilities
- Redeveloped the Market Hall
- Attracted investment
- Invested in the Pomegranate Theatre and the Winding Wheel

The Council's values have also been refreshed and 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. One of the Council's significant partnerships is the Sheffield City Region Local Enterprise Partnership for which there is an inter authority agreement in place. This agreement requires all constituent members to share in any liability incurred by the accountable body which is Sheffield City Council.

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. The council is in the process of developing a benefits optimisation tool that will identify the priority areas for efficiency 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. There are 3 overview and scrutiny committees which 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 is a Member of the Corporate Management team and 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. The Head of Internal Audit 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 head of internal audit'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 head of the internal audit consortium. 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.	Implementing actions to address the forecast deficits in 2015/16. Other budget risks such as the continuing impacts of the economic climate on key income streams and investment returns.	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 of the Council's Financial Planning Group, CMT/Executive Member Budget workshops` and Risk Management Group, and through the preparation of quarterly monitoring reports to the Council's Cabinet and Scrutiny Forum. Regular dialogue with Regional Trade Union Official will take place.	01/03/16
2.	The procurement process requires improvement from start to finish, from identifying the procurement need through to the letting and management of the contract. It needs to be ensured that the tendering and letting of contracts is in line with EU Regulations, Financial Regulations and Standing Orders.	The provision of a procurement Service and the processes followed by managers are currently being reviewed. An options paper in terms of procurement will be presented to Cabinet by September 2015. Corporate procurement training will be arranged by September 2015 and this will ensure that all managers are	30/09/15

		aware of the requirements of Standing Orders and Financial Regulations and their key role in the procurement process from start to finish.	
3.	There is a need to address the Data Protection issues identified in the May 2015 Internal Audit Report	The report and recommendations have been agreed and a timetable for implementing the recommendations is in the process of being developed.	30/12/15
4.	IT performance/PSN compliance and Security issues	An Executive Director is leading on this review and the implementation of recommendations. There is a full timetable in place for meeting PSN requirements. A wider information security piece of work is also taking place. An ICT infrastructure review is ongoing.	30/06/15 30/09/15 31/03/16

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 2014/15
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.1	Model of Constitution to be modernised.	A number of elements have already been completed: corporate transition to electronic Constitution, modernising, updating, clarifying and simplifying where possible, modernising Council Procedure rules, Contract Procedure Rules, analysis of member/officer delegations and potential for delegation downwards, delegation of approval to Standards and Audit Committee of some changes to Constitution. The key changes to complete in 2015 are:- Adjust to restructured portfolios and complete formal changes to delegations to appropriate service managers as a result of CMT restructure, updates to reflect new administration and roles (July 2015) Further consideration with majority group of "enabling" constitution with members retaining only strategic decisions, the rest delegated to officers (December 2015) Ongoing: routine updates to take account of changes in the law etc.	31/12/15	Local Gov & Regulatory Law Manager, Monitoring Officer and SIRO	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	Implementing actions to address the forecast deficits. Other budget risks such as the continuing impacts of the economic climate on key income streams and investment returns.	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 of the Council's Financial Planning Group, CMT/Executive Member Budget workshops and Risk Management Group, and through the preparation of quarterly monitoring reports to the Council's Cabinet and Scrutiny Forum. Regular dialogue with Regional Trade Union Official will take place.	**01/03/16**	**Members / CE / Executive Directors/ Chief Financial Officer**	**H**	✓	
1.B.4	Performance Monitoring/clinics have not taken place regularly in 2014/15	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.	**30/09/15**	**Executive Director**	**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.D.5	The reporting of PPP performance and KPI's to Members has been weak in 2014/15	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.	30/09/15	Executive Director	M		✓
1.D.5 & 2.A.1	Monitoring arrangements for partnerships require review and update.	Partnership Strategy to be reviewed in 2015/16 and significant partnerships re-assessed.	31/03/16	Policy Manager	M		✓
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 (report May 15) IT Security	Data Protection – Local Government and Regulatory Law Manager, Monitoring Officer and SIRO to progress implementation of the action plan.	31/12/15	LG & Regulatory Law Manager, Monitoring Officer & SIRO	H	✓	
		IT Security IA Report plus further PSN compliance issues identified by PPP Client Officer and Executive Director	30/06/15	Executive Director	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
3.A.2 & 3.A.8	The procurement process requires improvement from start to finish, from identifying the procurement need through to the letting and management of the contract. It needs to be ensured that the tendering and letting of contracts is in line with EU Regulations, Financial Regulations and Standing Orders.	The provision of a procurement Service and the processes followed by managers are currently being reviewed. An options paper in terms of procurement will be presented to Cabinet by September 2015. Corporate procurement training will be arranged by September 2015 and this will ensure that all managers are aware of the requirements of Standing Orders and Financial Regulations and their key role in the procurement process from start to finish.	30/09/15	Head of B T /Executive Director	H	✔	
3.A.3	The Whistle blowing policy was last reviewed in 2010	The whistle blowing policy will be reviewed and updated	31/12/15	Head of HR	M		✔
3.A.12	A full assessment needs to be undertaken against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption	CIPFA are producing a self- assessment tool against the code to be published in the Autumn of 2015, on receipt of this an assessment will be undertaken and an action plan produced.	31/03/16	Head of the Internal Audit Consortium	M		✔