REPORT TO:	AUDIT SUB-COMMITTEE (SPECIAL)	AGENDA ITEM: 9
DATE OF MEETING:	29th MAY 2019	CATEGORY: DELEGATED
REPORT FROM:	HEAD OF LEGAL and DEMOCRATIC SERVICES	OPEN
MEMBERS' CONTACT POINT:	ARDIP KAUR (01283 595715) Ardip.kaur@southderbyshire.gov.uk	DOC: u/ks/governance/local code/May 19/update report May 19
SUBJECT:	LOCAL CODE OF CORPORATE GOVERNANCE REVIEW 2019/20	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: AS 04

1.0 Recommendation

1.1 That the review against the Council's Local Code of Corporate Governance for 2019/20 as detailed in **Appendix 1** is approved.

1.2 That progress on the work plan to strengthen the Council's governance arrangements in 2018/19 as detailed in **Appendix 2** is approved.

2.0 Purpose of the Report

2.1 To assess the Council's governance arrangements against the national framework which the Council has adopted. The report also details progress on actions arising out of the Council's Annual Governance Statement (AGS) for 2017/18.

3.0 Detail

Background

3.1 In 2016, the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published an updated national framework for ensuring proper and robust governance in local authorities. This was adopted by the Council in December 2016 following a review by the Audit Sub-Committee.

3.2 The main aim of corporate governance relates to having a system by which a local authority directs and controls its functions and relates to its local community.

3.3 Good corporate governance is considered to be essential in demonstrating that there is credibility and confidence in public services. Sound arrangements should be founded on openness, integrity and accountability, together with the overarching concept of leadership.

The Framework

3.4 The framework is based on a set of core principles. The national framework is intended to assist authorities individually in reviewing and accounting for their own approach.

3.5 The overall aim is to ensure that resources are directed in accordance with agreed priorities, that there is sound and inclusive decision making, together with clear accountability for the use of resources to achieve intended outcomes for local communities.

3.6 Within the national framework, focus is also placed upon demonstrating economic, social and environment sustainability over a longer-term, together with the principles of social value.

The Core Principles

3.7 These are:

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

- Ensuring openness and comprehensive stakeholder engagement.

- Defining outcomes in terms of sustainable economic, social and environmental benefits.

- Determining the interventions necessary to optimise the achievement of the intended outcomes.

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

- Managing risks and performance through robust internal control and strong public financial management.

- Implementing good practice in transparency, reporting and audit to deliver effective accountability.

3.8 Within each principle there are a series of sub-principles. The Framework advocates a self-assessment against each of the sub-principles.

3.9 The latest self-assessment against the Framework is detailed in **Appendix 1**. Proposed changes and additional comments have been highlighted.

3.10 The associated template sets out each core principle and details the degree to which, on the evidence base, the Council meets each of the sub-principles. As previously, a score from 1 to 5 has been allocated, where a score of 5 demonstrates strong compliance.

The Council's Assessment

3.11 The Council has been able to demonstrate that it generally has a sound and robust system of corporate governance in place when compared to the Framework. The latest assessment shows that this continues to be the case in many instances with a score of 5 remaining prevalent in many areas. The ratings, with a comparison to previous periods, are summarised in the following table.

	Dec 2016	June 2017	Dec 2017	May 2018	Dec 2018	May 2019
Total number of principles	21	21	21	21	21	21
Total number scoring 5	16	18	17	18	18	20
Total number scoring 4	5	3	4	3	3	1

3.12 Overall, it is considered that there are no material weaknesses in the Council's governance arrangements when assessed against the national Framework.

3.13 The areas scoring 4 are where it is considered additional work is or can be undertaken to provide additional evidence and to further strengthen the Council's arrangements. The one remaining issue is detailed in the following table.

Sub-Principle	Action	Timeframe
Developing the entity's capacity	The guidelines recommend that organisations should be subject to an external peer review from time-to-time. A Corporate Plan target for 2018/19 was for this to be completed during the fourth quarter of the year, by March 2019. During the year, the Local Government Association reviewed the Council's Management Structure. Based on the outcomes of this review, which included developing capacity, the Council implemented a new Senior Management structure on 1 April 2019. This delayed action to address this issue. Therefore, it is now planned to undertake a peer/independent assessment in 2019/20.	March 2019 *Proposed to defer to 2019/20*

Progress on actions in 2018/19

3.14 The approved work plan is detailed in **Appendix 2.** The one remaining action is the completion of an independent peer review/assessment as detailed in the above table.

4.0 Financial Implications

4.1 None

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

5.2 None

Corporate Plan Implications

5.3 Maintaining proper Corporate Governance is a key aim in the Corporate Plan.

Risk Impact

5.4 None

6.0 Community Implications

Consultation

6.1 None required.

Equality and Diversity Impact

6.2 None

Social Value Impact

6.3 Not applicable

Environmental Sustainability

6.4 Not applicable

7.0 Background Papers

7.1 Delivering Good Governance in Local Government; Framework and Guidance Notes 2016 Edition. (*Published by CIPFA and SOLACE*).

APPENDIX 1: SOUTH DERBYSHIRE DISTRICT COUNCIL LOCAL CODE OF CORPORATE GOVERNANCE: SELF ASSESSMENT

Core Principle A: **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Behaving with integrity	- There are Member and Officer Codes of Conduct, together with an Ethics Statement which are detailed in the Council's Constitution. - Members and Officers sign-up to the Codes when appointed. - Standards and behavior expected are part of the induction processes. - Standards and behavior are part of the PDR process for Officers and are included in the job competency framework. - There is an established process for Members to declare any interests at Committee meetings and these are recorded in official Minutes. - There is an established procedure governing conduct at Committee meetings, including the use of social media. - The Council has an established Standards Committee with independent persons appointed. - There are anti-fraud and corruption policies in place which are regularly reviewed and audited. - There are registers of interests for Members and Officers which are maintained and regularly reviewed. The Codes of Conduct refer Officers and Members to declare any interests. - There is a procedure for declaring gifts and hospitality and these declarations are registered with and held centrally by the Monitoring Officer. - The Council has an established Whistleblowing Policy which protects individuals and is communicated to all stakeholders, including contractors. - An established Complaints Procedure which includes provision for raising issues regarding standards and the behavior of Officers. - This Procedure makes provision to identify improvements and changes to procedures if required; these are reported to the Council.	5	

Demonstrating a strong commitment to ethical values	• The Council's Ethical Framework is set out in its Constitution. Specific references are detailed below. ➢ The Code of Conduct for both Members and Officers sets out the standards of conduct that Members are required to adhere to. ➢ The Protocol for Member and Officer Relations defines respective roles and stresses the principles of mutual courtesy and respect. ➢ An Ethics Statement has been adopted by the Council ➢ The Planning Code of Good Practice is designed to assist and protect Members involved in the planning process. ➢ The ICT Protocol is designed to assist and protect Members when using computer equipment and social media. ➢ The Licensing Protocol sets out procedures so that Members act in a fair and proper manner and are seen to do so. ➢ The Code of Conduct for Representation on Outside Bodies provides support and guidance to Members when representing the Council on funded bodies and partnerships. ➢ Ethical values are an element of the Council's Procurement framework and feature in the tendering/contract process.	**4** *Given the actions undertaken in 2018/19, it is proposed to increase this score to a 5.*	An action for 2018/19 was to undertake a staff survey and hold briefing sessions to promote the Council's Culture and Ethics Framework. Briefing sessions were held and promotional material circulated in 2018/19 regarding the ethical standards expected of Council Officers.
Respecting the rule of law	• The role of the Monitoring Officer and associated Protocol is designed to ensure that the Council operates within the law. • The Council complies with the national Statement on the "*Role of the Chief Financial Officer*" to ensure that the Council uses and accounts for its resources in accordance with legislation. • All Council Committees operate under a Terms of Reference. • An established Scheme of Delegation from Full Council to Committees and to Senior Officers is in place. • All Committees are supported by Committee Clerks. • The Monitoring Officer attends all meetings of Full Council. • New policies and operational developments/changes are only considered at Committee following consultation and analysis by the Chief Finance Officer, Head of Legal and Democratic Services and Head of HR.	**5**	

Core Principle B: **Ensuring openness and comprehensive stakeholder engagement**

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Openness	• An established Freedom of Information Publication Scheme is in place which informs how and where information is available. • The Corporate Plan and Annual Report set out what the Council wants to achieve and how it has performed. • The Council adheres to the Government's Transparency Code of Practice and publishes information accordingly. • Records of decisions at Committee meetings are published. • Committee reports are published in a standard form. • Committee reports include financial, legal and HR implications where required, together with an assessment of the Corporate and Community implications of proposals. • The Council adheres to a Committee timetable which is reported and approved ahead of every Civic Year; dates of meetings are publicised in advance. • A Committee work programme is updated and reviewed at each Committee which publishes forthcoming business and reports. • Committee agendas are published 5 workings days prior to a meeting in accordance with the Access to Information Regulations. • All meetings are open to the press, media and public and each Agenda allows questions to be raised by the Public.	5	
Engaging comprehensively with institutional stakeholders	• The Council has an established Communications Strategy with an annual action plan subject to quarterly review. • The Council engages the support of other agencies and the voluntary sector to undertake consultations as appropriate. • Where the Council works in Partnership, protocols and procedures allow for views to be shared and challenge to take place.	5	
Engaging with individual citizens and service users effectively	• An SLA is in place with the local CVS to undertake consultation on potential changes affecting specific groups. • The Council regularly consults with council house tenants and users of sport and leisure facilities through established groups. • Results of public consultation are reported to the Council and assessed as part of any new proposals or changes to service provision.	5	

APPENDIX 1: SOUTH DERBYSHIRE DISTRICT COUNCIL LOCAL CODE OF CORPORATE GOVERNANCE: SELF ASSESSMENT

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Defining outcomes	• The Council has an established vision of "*Making South Derbyshire a better place to live, work and visit*". This is supported by 3 priorities of People, Place and Progress. • This vision and the priorities are central to the Corporate Plan which is set for a 5-year period. • The achievement of the priorities is measured in terms of a set of performance indicators for defined outcomes. • The Corporate Plan is published and advertised extensively both internally and externally. • It is approved and adopted by Full Council. • Operational targets are cascaded down into Service Plans. • The Council's Performance Management Framework monitors and reviews performance against the priorities; this includes comparisons and trends which are reported quarterly. • Identified risks to the achievement of defined outcomes are integral to this process. Risk registers are reviewed on a quarterly basis. • The Corporate Plan also aligns to the Sustainable Community Strategy for the District.	5	
Sustainable economic, social and environmental benefits	• The allocation of resources is subject to a Service and Financial Planning process which evaluates proposals in accordance with the Corporate Plan and takes into account risk and sustainability. • The Council's Capital Programme focuses resources on long-term benefits with investment in new housing, new leisure facilities, sustainable infrastructure and the purchase of land to secure investment and future service provision. • Key plans and strategies such as the Corporate Plan, Housing Business Plan and Medium-Term Financial Plan, focus on a period that overlaps each 4-year democratic term. • Current financial constraints are factored into strategic plans for Housing, Economic and Environmental Services. • A corporate Equalities Working Group ensures that there is fair access to all services and this is demonstrated in an Annual Report.	5	

	• The Communications Strategy sets out guidelines on how and when stakeholders are engaged.		

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Determining interventions	• The Service and Financial Planning framework is effectively an options appraisal which includes an analysis of risk and opportunities together with short and long term resourcing implications. • The process directs that all major procurements are subject to a prior options appraisal which is recorded and signed off corporately; this includes soft market testing where appropriate. • The framework determines that proposals are discussed at senior officer level, with senior Members and are then subject to the Committee process. • Working groups are set up if necessary to review options, for example on the HRA Business Plan and future management of the Forestry Centre; this includes representative groups (tenants) and service users (sport facilities). • Established consultation is undertaken with service users in housing, sport and health, etc. Consultation outcomes have helped to shape the design of facilities, for example, local skate parks.	5	
Planning interventions	• Established quarterly performance and budget monitoring reports with key indicators which report performance results and highlight corrective action where necessary. • Annual budgets are based on current and future service provision and in accordance with the Medium-Term Financial Plan (MTFP). • The key aim of the Financial Strategy is sustainability and the MTFP factors in potential funding constraints in which services plan accordingly.	5	

Optimising achievement of intended outcomes	• The MTFP integrates and balances service priorities, affordability and external pressures. This is analysed in the comprehensive service and budget reports during the Annual Budget Round and ½ yearly reviews. • Service planning and the procurement framework consider "social value" and this is a part of the evaluation in procurement exercises to encourage local employment and apprenticeship schemes, etc. • Work is commissioned in partnership with the local voluntary sector (for example CVS) to optimise the social and environmental well-being of local residents and to help all groups access services.	**5**	

Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Developing the entity's capacity	• The Council uses comparative data where this is appropriate through benchmarking and soft market testing to determine how resources are used and allocated and to inform future service provision, for example ICT (September 2016) and the HRA New Build programme. • The Council uses representative groups, for example council house tenants and leisure centre users, to help formulate service provision. • The Council actively works in partnership where this is deemed to be beneficial to achieving its desired outcomes with added value, for example the management of leisure facilities. • The Council has several partnership/collaborative working arrangements. • An established Workforce Strategy is in place which includes an annual work plan setting out training and development activities.	4 No Change proposed at this stage	**The guidelines recommend that organisations should be subject to an external peer review from time-to-time.** *Following the implementation of a new Senior management structure on 1 April 2019, a peer/independent assessment is planned for 2019/20.*

	• An established training programme is in place to develop senior and aspiring managers, which is delivered by external facilitators; this is aligned to corporate priorities and factors in external issues such as limiting resources.		
Developing the capability of the entity's leadership and other individuals	• Regular meetings take place between senior managers and leading Members to ensure regular and effective communication. • Article 12 of the Constitution sets out the principles of Decision Making with Section 21 detailing the Scheme of Delegation; these are designed to ensure that the responsibility for decision making is clear and rests at the right place in the Council. • The Council also operates within a set of Financial Regulations and Procedural Rules. • A weekly meeting takes place between the Leader and Chief Executive to ensure a continuing and effective relationship. • Members undertake statutory training on Licensing, Planning and Finance in order to keep updated on developments and legislative changes in key areas of service delivery. • Members have access to training and seminars through the District Council's Network and the East Midlands Regional Council. • Development plans for Officers are linked to a competency framework and where appropriate to the leadership programme. • The Council employs external support for key specialist tasks and to relieve pressure on capacity, for example, to implement job evaluation, ICT Strategy and assessment of housing options. • The Council works with other authorities to deliver services to benefit from economies of scale, for example, the provision of internal audit, building control and fraud prevention. • All employees, including the CEO and Directors are subject to annual appraisals. • Certain training courses are mandatory for specific groups of employees or for all Officers, regarding health and safety, equality and absence management, etc. • HR policies are designed to assist and guide Officers and further their well-being to ensure that they act in the correct manner, are safe and have access to appropriate benefits. These policies are regularly reviewed in consultation with employee representatives.	4 *Given the actions undertaken in 2018/19, it is proposed to increase this score to a 5*	During 2018/19, the Council commissioned the Local Government Association to undertake a review of the Council's management structure. Based on the outcomes of this review, which included developing capacity, the Council approved a new Senior Management Structure which was implemented on 1 April 2019. This structure introduced key Heads of Service posts to support the Leadership Team and in doing sought to empower these individuals to lead their service area. The review also aggregated pockets of expertise from across the Council into central teams for the greater corporate good. In particular, this aims to enhance service provision in Organisational Development and Business Transformation.

APPENDIX 1: SOUTH DERBYSHIRE DISTRICT COUNCIL LOCAL CODE OF CORPORATE GOVERNANCE: SELF ASSESSMENT

<u>**Core Principle F**</u>**: Managing risks and performance through robust internal control and strong public financial management**

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

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

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Managing risk	• The Council has an established risk management framework in place. This is reviewed regularly and was updated in 2016 against the new Corporate Plan. The framework is also subject to Audit from time-to-time. • Responsibility for managing risks is assigned to service managers in Service Plans. Strategic risks are owned by the Leadership Team. These risks are regularly reviewed and reported quarterly.	5	
Managing performance	• The Council has an established performance framework with comprehensive performance reports considered by policy committees on a quarterly basis. • All key activities in the Corporate Plan are subject to performance measures which assesses progress against intended outcomes. • Consultation takes place between Members and Officers in the planning process to establish what and the format that information is required for decision making. • The Council has an established Overview and Scrutiny function in place, including a separate Committee whose Chair does not sit on any other policy committees. • This Committee operates under a terms of reference set out in the Constitution and sets its own work programme. It focuses on a balance of internal and external issues and reports to Council, in an annual report, its outcomes for the year and where it has added value.	5	

	• The Council's outcomes in terms of finance are reported from base budget stage through to the publication of the annual financial statements.		
Robust internal control	• The Council has an established Audit Committee. • The Committee has its own terms of reference which includes overseeing good governance, internal control and risk management, etc. • The effectiveness of the Committee is regularly reviewed and Members receive training and briefings. • The Committee oversees an annual Internal Audit Plan which covers all fundamental systems on a yearly basis and all Council services/activities over a 5 year rolling period based on risk. • Internal Audit reports quarterly on its audits, the outcomes and ranks the control status from limited to comprehensive assurance. Any potential implications for the Council's Governance Statement are highlighted at that stage. • An established counter fraud and anti-corruption framework is in place and the Council works in partnership with other councils to prevent and detect fraud; this includes sharing systems and data. • The Council reports its Governance Framework and its effectiveness are assessed through an Annual Governance Statement which is reported in the Financial Statements. • The provision of Internal Audit is through an established partnership arrangement with other authorities; this ensures that the Council benefits from economies of scale and additional expertise in its audit coverage. • Internal Audit meets the requirements of the nationally recognised Public Sector Internal Auditing Standards.	**5**	
Managing data	• The Council has an established Data Quality framework in place which is subject to annual review and audit. • Methodology statements are established for each key performance indicator in the Corporate Plan; these ensure that there are proper procedures to ensure that the data collected and reported is correct, reliable and accurately measures progress on intended outcomes. • The Council's ICT and Business Change Manager is the designated Data Protection Officer. • The Council has established policies regarding the security of data, and data protection, etc. • Arrangements for managing and storing data are subject to audit. • Information asset owners assigned to data folders and systems.	**5**	

	• The Council shares data with other agencies in accordance with data sharing protocols. These currently exist with the DWP, the Police and Fire authorities • From time-to-time, other agreements are established with for example, credit rating agencies for specifically defined purposes. • Where high volumes of data are processed, the Council undertakes independent quality checking, for example in the processing of housing benefits.		
Strong public financial management	• The Council's Medium-Term Financial Plan (MTFP) aims to maintain resources over the longer-term to deliver services and factors in potential changes in service provision. • The MTFP is underpinned by a Financial Strategy which sets out procedures for the proper stewardship of public money, together with safeguarding the sustainability of the Council's financial position. • The Strategy sets out the overriding financial target that defines a minimum level of General Reserves over a rolling 5-year period (10 years for the HRA). • Quarterly budget and financial monitoring reports to the Council assess progress against annual budgets and also keep under review any current issues and their potential impact on the longer-term financial position.	**5**	

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Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

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

Sub Principle	Evidence Base to Demonstrate Compliance	Self-Assessment Score (out of 5)	Actions to Strengthen Compliance
Implementing good practice in transparency	• The Council publishes its successes and answers any issues through a series of media releases; these are designed to explain matters in a more easily understandable, but factual way, and summarises decisions made following consideration of technical Committee reports. • The Council publishes an Annual Report which helps to explain what the Council does, its achievements, etc. in a more easily understandable style. • The Council's website is also a means of publishing information in an informative way. A new website was implemented in October 2017 to improve the access to and transparency of information. • Social media is also being used as a tool for engaging with residents and other stakeholders.	5	
Implementing good practice in reporting	• In accordance with statutory requirements, the Council publishes Audited Accounts and Financial Statements, together with an Annual Governance Statement. These are considered and approved by the Council and then published in accordance with a statutory timescale.	5	
Assurance and effective accountability	• All key indicators and projects in the Corporate Plan have a named responsible officer. • These responsible officers are accountable to the relevant Policy Committee. • Any recommendations made by External Audit in their annual report, are assigned a responsible Council Officer and actions are monitored by the appropriate Committee. • Recommendations made by Internal Audit are designed to strengthen the Council's internal control environment. • Recommendations made by Internal Audit are also assigned a responsible Council Officer to implement agreed actions. • Internal Audit provides quarterly updates on outstanding recommendations and there have been instances where the Audit Committee has requested specific reports from responsible officers where agreed actions are still to be implemented.	5	

APPENDIX 2: ANNUAL GOVERNANCE STATEMENT 2017/18 – PROGRESS ON WORK PLAN

Work Area	Timescale	Responsible Officer(s)	Governance / Corporate Plan Priority	Action and Outcome
Continue to review the Local Code of Corporate Governance and to monitor the Governance Work Plan for the year	½ yearly review	Legal and Democratic Services Manager	This is the overall framework that monitors the priority outcomes for the Corporate Plan	Reviews to be held in December 2018 and May 2018. **Progress** Completed as detailed in this report and Appendix 1.
Undertake a staff survey and hold briefing sessions to promote the Council's Culture and Ethics Framework	November 2018	Legal and Democratic Services Manager	To ensure that staff are fully aware of the Framework and their responsibilities in order to comply.	**Completed** Briefing sessions were held and promotional material circulated in 2018/19 regarding the ethical standards expected of Council Officers.
Undertake an external Peer Assessment	March 2019	Chief Executive Officer	Review and develop the Council's organisational capacity.	To commence in the final quarter of 2018/19. **Progress** During the year, the Local Government Association reviewed the Council's Management Structure. Based on the outcomes of this review, the Council implemented a new Senior Management structure on 1 April 2019. This delayed action to address this issue. Therefore, it is now planned to undertake a peer/independent assessment in 2019/20.