

REPORT OF: CHIEF FINANCIAL OFFICER
TO: AUDIT AND ACCOUNTS COMMITTEE
DATES: 18th MARCH 2019

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**DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT
(CIPFA/SOLACE) FRAMEWORK**

PURPOSE OF REPORT

1. This report provides the committee with details of the self-assessment carried out against the above framework. The framework is published jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and applies to the Annual Governance Statement (AGS) which is prepared to be published within the annual statutory Statement of Accounts (SOAs).
2. The draft SOAs, including the AGS, is reported to this committee in May with the final SOAs returning after it has been audited by our external auditors, Grant Thornton.

RECOMMENDATIONS

3. The committee is recommended to note:
 - a) the outcome of the self-assessment and,
 - b) the intension to continue to provide further reports in due course to ensure the Council's corporate governance framework remains subject to regular review and scrutiny by this committee.

ISSUE

4. Since the original framework was published the Council has maintained a local code of corporate governance together with an action plan identifying the extent of compliance and/or any areas in the Council's arrangement that require further development.
5. This is subject to periodic review by the Corporate Governance Group which consists of the Chief Executive, Corporate Director and the Chief Financial Officer (i.e. the three statutory officers).

6. The concept underpinning the Framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:
- resources are directed in accordance with agreed policy and according to priorities;
 - there are sound and inclusive decision making;
 - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
7. The committee last received this full self-assessment in January 2017, with an update provided in January 2018. The full self- assessment has been reviewed by the Corporate Governance Group and the Management Team, this exercise looked at each of the seven principles in the code and assessed the evidence available to demonstrate compliance. The seven principles are set out in **Appendix One** for reference and the results of the self-assessment are presented in **Appendix Two**. The assessment adopts the following indicators to assess the level of compliance:-
- RED nil compliance – no evidence that arrangements exist.
 - AMBER scope to strengthen current arrangements/some improvement required.
 - GREEN current arrangements assesses as meeting the requirements.
8. Having undertaken the work described above it is considered that overall the Council's arrangements are generally good and demonstrate compliance with the principles set out in the code. Whilst many of the categories are GREEN, there are some areas where it is felt the existing arrangements can be strengthened and improved. These are highlighted with an AMBER status in **Appendix Two** and consist of the following:-

PRINCIPLE A

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

- *Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.*

9. The tendering process should be reviewed to ensure the Council is doing all it can to consider the above requirement of external providers, for example, by potentially including ethical value policies.

PRINCIPLE D

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

- *Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".*

10. Similar to Principle A above, the tendering process should be assessed to strengthen, where possible, the achievement of 'social value.'

PRINCIPLE E

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

- *Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.*
 - *Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:*
 1. ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
 2. ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
 3. ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.
11. More use should be made of benchmarking data where it is available and meaningful.
12. A view of training and development will be carried out, in particular the on-line training package 'Bob's Business.' This will include the various training modules and also compliance with staff keeping up to date with the modules published in a timely way.

PRINCIPLE F

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

- *Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.*
 - *Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.*
 - *Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.*
13. A new Information Governance Group has been set up to address issues and improve information governance, for example, document storage and retention policies and monitoring compliance with General Data Protection Regulation (GDPR).

Further work will be undertaken across the areas outlined above with progress reported to this committee in subsequent updates.

IMPLICATIONS

Policy

14. There are no policy implications arising directly from the recommendations in this report.

Financial

15. There are no financial implications arising directly as a consequence of the recommendations in this report.

Legal

16. There are no new legal implications resulting directly from the recommendation in this report.

Risk Management

17. There are no implications for the strategy risk register resulting directly from the recommendation in this report.

Health and Safety

18. There are no health and safety implications arising directly from the recommendation in this report.

Sustainability

19. There are no sustainability implications arising directly from this report.

Community Safety

20. There are no community safety issues arising directly from the contents of this report.

Equality and Diversity

21. There are no equality and diversity issues arising from the contents of this report.

APPENDICES

[Appendix One](#) – Delivering Good Governance in Local Government – 7 Core Principles
[Appendix Two](#) – Delivering Good Governance – Self Assessment Updated January 2019

LIST OF BACKGROUND PAPERS - None

The 7 Core Principles are set out in the chart below. The supporting sub-principles are listed in the self-assessment in [Appendix Two](#).

