

REPORT OF: Director of Business Transformation

TO: Civic Affairs Committee

25/06/14

WARDS: All

**ASSURANCE FRAMEWORK, DRAFT ANNUAL GOVERNANCE STATEMENT
AND DRAFT CODE OF CORPORATE GOVERNANCE 2013/14**

1 INTRODUCTION

- 1.1 The preparation of an Annual Governance Statement (AGS) is necessary to meet the statutory requirements as set out in Regulation 4(3) of the Accounts and Audit (England) Regulations 2011. The AGS covers the Council's governance arrangements for the 2013-14 reporting year and is published as part of the Statement of Accounts.
- 1.2 This report includes the draft AGS and incorporated AGS action plan (presented in **Appendix A**) for the Members of Civic Affairs Committee to review, challenge and advise the Leader and Chief Executive upon accordingly.
- 1.3 This report also identifies progress with the 2012/13 AGS action plan and presents the necessary recommendations for Member approval that will allow the Council as a whole to ensure that the AGS is produced in accordance with CIPFA guidance and therefore meet External Audit requirements.
- 1.4 The Council's Code of Corporate Governance summarises the ways in which the authority directs and controls its functions and relates to its communities. It is reviewed annually.

2 RECOMMENDATIONS

- 2.1 That Members of Civic Affairs Committee:
- note the arrangements for compiling, reporting on and signing the AGS.
 - critically review the draft AGS and incorporated action plan (**Appendix A**) having regard to the Head of Internal Audit Annual Opinion (earlier on this agenda); and
 - advise the Leader of the Council and Chief Executive on any issues arising from the draft AGS and action plan.
- 2.2 That the Council approves the Code of Corporate Governance (Appendix B) at Full Council on 24th July.

3 BACKGROUND TO THE AGS

Scope of the AGS

3.1 Internal control and risk management are recognised as important elements of good corporate governance. The scope of governance, as covered in the AGS, spans the whole range of the Council's activities and includes those designed to ensure that:

- The Council's policies are implemented in practice;
- High quality services are delivered efficiently and effectively;
- The Council's values and ethical standards are met;
- Laws and regulations are complied with;
- Required processes are adhered to;
- Its financial statements and other published information are accurate and reliable; and
- Human, financial and other resources are managed efficiently and effectively.

Arrangements for Compiling the AGS

3.2 CIPFA, in conjunction with SOLACE, have produced a framework for delivering good governance in local government. Since 2003/04, responsibility for preparing the AGS rested with Internal Audit and this was performed working to the CIPFA/SOLACE framework.

3.3 In December 2010, CIPFA issued its statement on 'The Role of the Head of Internal Audit in Local Government', which states that the Head of Internal Audit should 'set out the framework of assurance that supports the Annual Governance Statement and identify Internal Audit's role within it', but 'should not be responsible for preparing the report.'

3.4 Arrangements for compiling the AGS for 2013-14, as last year, have been undertaken by the Head of Legal Services (the Council's Monitoring Officer) in conjunction with the Head of Corporate Strategy and the Principal Auditor.

3.5 Assurances from the work of the Internal Audit team relating to 2013/2014 have been reviewed and have been used to inform the AGS and its associated action plan.

3.6 One of the key messages coming out of the CIPFA/SOLACE guidance is that good governance relates to the whole organisation and there should be corporate ownership of the AGS and governance arrangements.

Arrangements for reporting on and signing off the AGS

- 3.7 The draft AGS and Action Plan is being presented to the Members of this Committee for them to review and advise the Leader and Chief Executive upon, prior to it being signed off by the Leader and the Chief Executive.
- 3.8 Members are asked to consider the Head of Internal Audit's Annual Opinion, which is presented earlier on this agenda, in their review of the AGS.

4. Progress with the 2012-13 AGS Action Plan

- 4.1 All of the actions included in last year's AGS Action plan have either been completed in full or partially completed as follows:

- ***Budget Setting Forecast*** - The actions set out in the action plan drawn up in response to Ernst & Young's report on errors identified in the 2012-13 budget setting forecast have been implemented. New arrangements have been put in place with the Medium Term Financial Strategy being replaced by a Mid-Year Financial Review. Staffing related issues have been addressed and changes have been made to the structure of the Finance Team to separate the role of Section 151 officer from the role of the Director.

Internal Audit have worked with the Finance Team to review these new arrangements and have reported that the new processes appear robust and include all stages/requirements to deliver appropriate financial control. However, as the Council has not yet run through a full financial cycle it has not been possible to verify all of these in a 'live' environment. Internal Audit will undertake further assurance work during 2014-15, as part of the audit plan, to ensure appropriate evidence is in place for all changes to financial arrangements. This will be included as an action in the 2013-14 AGS Action Plan.

- ***Risk Management*** – A follow up to the audit of the Risk Management Framework has recently been completed. This concluded that risk management is becoming further embedded across the organisation and the assurance rating was raised from 'limited' to 'significant'. Twice yearly reports are made to the Strategic Leadership Team to update them on the risk management process and the Risk Management Team sends quarterly reports to Directors on their significant and high risks and overdue actions.
- ***Contractor Health & Safety*** – The follow up audit of this area has recently been completed to ensure that the agreed actions for documenting checks undertaken on contracts have been implemented. The majority of actions have now been actioned and therefore the assurance rating for this area has been raised from limited to significant.

- **Officer Code of Conduct** - The Officer Code of Conduct was updated last year to provide greater clarity on the acceptance of gifts and hospitality. The updated Code was approved at Civic Affairs last year. Whilst the unions raised no objection to the changes made to the Code, UNISON did raise issues regarding other unrelated aspects of the Code. These have now been agreed and the updated Code will be re-issued shortly.
- **Scheme of Delegations** - Work is in progress to ensure that the Council's Scheme of Delegations is up to date and accurate. A survey of senior officers has been completed to identify areas in which delegations might be improved and a report elsewhere on this agenda identifies areas for action.

4.2 **Appendix A** to this report details the action plan to address significant governance issues during 2014/15.

5. **BACKGROUND TO THE CODE OF CORPORATE GOVERNANCE**

5.1 The Council adopted a Code of Corporate Governance on 25 April 2002 and it has been reviewed annually since then.

5.2 There are no significant changes to the Code this year. The Code has been revised to ensure that references to supporting plans, policies and procedures are up to date.

6. **CONSULTATIONS**

6.1 Key officers have been consulted in compiling the 2013-14 AGS and Action Plan. The draft AGS and Action Plan have been shared with the Council's External Auditors.

7. **CONCLUSION**

7.1 The draft AGS and draft Code of Corporate Governance set out the governance framework for the City Council and identify a number of issues where action is planned to improve the level of governance.

8. IMPLICATIONS

- (a) **Financial Implications**
None
- (b) **Staffing Implications**
None
- (c) **Equality and Poverty Implications**
None
- (d) **Environmental Implications**
None
- (e) **Community Safety Implications**
None

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

- Delivering Good Governance in Local Government – The Framework and Guidance Note for English Authorities – CIPFA/SOLACE plus Addendum (December 2012)
- The Annual Governance Statement: Meeting the Requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulations 2006
- The CIPFA Finance Advisory Network – A Rough Guide for Practitioners 2007/08.
- Application Note to Delivering Good Governance in Local Government – a Framework – CIPFA/SOLACE – March 2010
- Accounts and Audit (England) Regulations 2011
- Statement on the Role of the Head of Internal Audit in Local Government – CIPFA – December 2010
- Statement on Role of the Chief Financial Officer – CIPFA

To inspect these documents contact Bridget Bishop on extension 8182.

The author and contact officer for queries on the report is Simon Pugh, Head of Legal Services and Monitoring Officer, on (01223) 457401 or email simon.pugh@cambridge.gov.uk.

Annual Governance Statement

Scope of Responsibility

Cambridge City 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. Cambridge City 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, Cambridge City 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.

Cambridge City 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*. A copy of the Code is on our website at www.cambridge.gov.uk or can be obtained from the Chief Executive, The Guildhall, Cambridge. This statement explains how Cambridge City Council has complied with the Code and also meets the requirements of the Accounts and Audit (England) Regulations 2011 regulation 4(3), 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 Cambridge City Council 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 Cambridge City 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 Cambridge City Council for the year ended 31 March 2014 and up to the date of approval of the annual report and statement of accounts.

The Governance Framework

The key elements of the systems and processes that comprise the authority's governance arrangements include:

- The Council's Objectives, which focus the Council's efforts in achieving the vision for Cambridge.
- The Annual Statement, which reiterates the vision and sets out a range of activities the Council will undertake in the year ahead to achieve the vision, and its core underpinning values.
- The Annual Report, which contains information on financial performance and achievement of business objectives as articulated in the portfolio plans.
- The annual budget and service planning process which translates the Council's Objectives into actions at portfolio and operational level.
- The Council's Mid-Year Financial Review, which identifies how the Council will resource its aspirations and plans for any financial risks.
- A Budget Setting Report, which sets out overall spending plans and includes a Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement.
- The arrangements for regular budget monitoring and reporting of significant variances to senior management.

- An independent Internal Audit function with a risk-based audit plan.
- An annual opinion of the Head of Internal Audit on the authority's internal control environment and risk management framework.

- The Council's Constitution, which sets out the decision-making process, the terms of reference for each committee and the roles and responsibilities of Members and officers.
- The Member/Officer protocol, which aids effective communication between officers and Members and clarifies their respective roles and responsibilities.
- Codes of Conduct for Members and officers, which have been formally approved and are reviewed regularly and available to all Members and staff.
- The Council's Civic Affairs Committee, which promotes and maintains high standards of conduct by Members and which has overall responsibility for the Council's compliance with laws and regulations.
- The role of the Council's Civic Affairs Committee, which fulfils the core functions of an Audit Committee as identified in CIPFA's 'Audit Committees – Practical Guidance for Local Authorities'.
- The Council's Prevention of Fraud and Corruption Policy which is in place and reviewed regularly by the Council's Civic Affairs Committee.
- A Register of Interests, which is maintained and reviewed regularly.
- Financial Regulations and Financial Procedure Rules which provide a framework for managing the Council's financial affairs and set out the financial accountabilities and responsibilities for Members and officers.
- A corporate Risk Management Framework, which includes a Risk Management Strategy approved by Members and a comprehensive risk register identifying the key controls and actions required to manage the Council's principal risks.

- The Procurement Policy and Strategy and the Council's Contract Procedure Rules, which set out how the Council will promote effective procurement across the Council.

- The Chief Executive is the Council's Head of Paid Service and the Head of Legal Services is the Council's Monitoring Officer. Their roles and responsibilities are set out in the Council's Articles of the Constitution.
- A 'Whistleblowing' Policy, which is in place and available on the Council's intranet.
- The Council's Complaints Procedure, which is available on the Council's website and the Independent Complaints Investigator who can investigate how the Council has dealt with its complaints.
- The annual complaints report to Civic Affairs Committee, which analyses trends in complaints against the Council and what has been done to address them.
- Member Induction training and a guide for new Members, together with ongoing training for Members on key skills and more in-depth explanations of issues concerning the Council.
- The Council's Performance Review process which is undertaken annually across the Council for all staff.
- The Council's Competency Framework, which is in place for all staff and managers.
- The Council's People Strategy, which sets out how the Council will recruit, reward and develop its staff to reach their full potential.
- The Media Protocol, which sets out the processes for drafting and clearing news releases and engaging with the media.
- The new Programme Office, which commissions and monitors projects to implement change and transformation.
- The Citizens' Survey, which is undertaken periodically to gauge the public's perception of Council services, our spending priorities, communication with us and feelings of safety.
- The Code of Corporate Governance, which sets out the ways in which the Council ensures that its business is conducted in accordance with law and proper standards and that public money is safeguarded and properly accounted for.
- A framework to guide the Council's engagement with external partnerships that will ensure the Council's partnerships are accountable and effective.
- The corporate website, residents' magazine and social media channels, which along with other publications and communications provide for informing and engaging residents and other stakeholders in service delivery and policy formulation.
- A Code of Best Practice on Consultation and Community Engagement, adopted by the Council which sets out the Council's approach to consultation.
- Internal quarterly performance reporting against key performance indicators for each service prepared for and presented to the strategic leadership team to consider necessary remedial action.

A new Head of Finance post has been created and this post will fulfil the role of the S151 officer when the new post-holder starts in July 2014. Following the departure of the Director of Resources in February 2014, temporary financial management arrangements have been put in place whereby the S151 officer at South Cambridgeshire District Council has been covering the S151 role for the City Council on strategic financial issues, with the interim Head of Finance providing operational financial advice.

CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010) sets out some principles regarding the status of the Chief Financial Officer (also referred to as the "section 151 officer".) The statement says:

"Local authorities are required to have a suitably qualified CFO with certain defined responsibilities and powers. The governance requirements in the Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Report , together with how these deliver the same impact."

The staffing structure adopted by the Council in July 2012, and implemented from the beginning of 2014, provides for the new Head of Finance post to be the Chief Financial Officer, reporting to the Director of Business Transformation. Although this is not a director level appointment, and not a direct report to the Chief Executive, organisational arrangements are in place to ensure that the outcomes of the CIPFA governance requirements are met and the Council's auditors were content with the proposals. Whilst line management responsibility will rest with the Director of Business Transformation, the new Head of Finance will be a full member of the Council's Strategic Leadership Team and will report directly to the Chief Executive on financial matters.

Review of Effectiveness

Cambridge City 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 the Directors and Heads of Service within Cambridge City Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual opinion, and also by comments made by the external auditors and other review agencies and inspectorates.

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based operational plan, which is agreed, annually, by the Council's Civic Affairs Committee.

Individual Internal Audit reports are issued directly to the relevant Director, the Director of Resources (now the Director of Business Transformation), the Leader of the Council and the relevant Executive Councillor. Executive Summaries of Internal Audit reports are circulated to the Chief Executive and the Council's Monitoring Officer to ensure that they are informed of potential areas of non-compliance with legislation. Each audit report contains an independent assurance opinion on the adequacy and effectiveness of the internal controls in place to mitigate risks. Management actions agreed in Internal Audit reports are entered into to the Council's Risk Register and progress on their implementation is reported to and monitored by the Chief Executive and the Strategic Leadership Team.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

The Director of Resources was the Authority's Chief Financial Officer and therefore responsible for the proper administration of the authority's financial affairs up until the end of February 2014. A new Head of Finance post has been created and going forward, this post will fulfil the role of the S151 officer when the new post-holder starts in July 2014. During the interim period, between March and July 2014, the S151 officer at South Cambridgeshire District Council has been covering the S151 role for the City Council on strategic financial issues, with the interim Head of Finance providing operational financial advice.

The Council's Civic Affairs Committee is responsible for advising on and monitoring the Members Code of Conduct and for advising the Council on the ethical aspects of the corporate governance framework. This arrangement replaces the previous responsibilities of the Council's Standards Committee, which was disbanded in July 2012.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Civic Affairs 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 planned are outlined below.

Action Plan to Address Significant Governance Issues during 2014-15

| | Issue | Action | Target Date | Officer Responsible |
|---|---|---|--|---|
| 1 | <p>Budget Setting Arrangements</p> <p>The action plan drawn up in response to Ernst & Young's report on errors identified in the 2012-13 budget setting forecast has been implemented and new budget setting arrangements have been put in place. Internal Audit have worked with the Finance Team to review these new arrangements and have reported that they appear robust and include all stages/requirements to deliver appropriate financial control.</p> <p>However, as the Council has not yet run through a full financial cycle it has not been possible to verify all of these in a 'live' environment.</p> | <ul style="list-style-type: none"> Internal Audit to undertake further assurance work during 2014-15, as part of the audit plan, to ensure appropriate evidence is in place for all changes to financial management arrangements. On-going delivery of new budget/financial management arrangements to ensure necessary savings are achieved in future years. | <p>31 March 2015</p> <p>31 March 2015</p> | <p>Head of Internal Audit</p> <p>Head of Finance</p> |
| 2 | <p>Governance Arrangements for New Service Delivery Methods</p> <p>The Council is undergoing significant change in the way it delivers some of its services, including the introduction of shared service arrangements in some areas of Council activity, such as the payroll service and the introduction of the City Deal. There is a risk that the Council's interests may not be protected during and after periods of transition.</p> | <p>Internal Audit to undertake a review of the governance arrangements put in place for new service delivery methods and the City Deal to ensure they are sound and protect the Council's interests.</p> | <p>31 March 2015</p> | <p>Head of Internal Audit</p> |

| | Issue | Action | Target Date | Officer Responsible |
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| 3 | <p>Discharge of S151 Responsibilities</p> <p>The discharge of S151 responsibilities was last audited in 2007/08. New arrangements for this have recently been put in place which mean that the authority no longer complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010). It would therefore be timely to review these arrangements to ensure that all S151 duties are being picked up effectively.</p> | <p>Internal Audit to undertake an independent review of the discharge of S151 responsibilities as part of the annual audit plan.</p> | 31 March 2015 | Head of Internal Audit |

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| 4 | <p>Information Security</p> <p>Information Security is a key risk to the Council. A great deal of work has already been undertaken over the last year to try and address this issue, including the establishment of the Information Security Officer Group; the organisation of four Data Protection Workshops across the Council to help inform our processes; and the updating of the Data Protection Policy.</p> <p>Further work needs to be done to help raise awareness across the Council amongst all staff and managers.</p> | <p>Further Data Protection training is to be commissioned for managers and key staff across the Council to meet the specific needs/gaps identified through the Data Protection workshops.</p> | 31 March 2015 | Strategy Officer |
| 5 | <p>Counter-Fraud Arrangements</p> <p>In light of the changes arising from Welfare Reform and in compliance with best practice set out in the Audit Commission's report: 'Protecting the Public Purse', it would be timely to conduct an organisational review of the Council's counter-fraud delivery arrangements.</p> | <p>Undertake a corporate review of counter-fraud arrangements, not only in respect of benefit fraud but for all types of fraud.</p> | 30 September 2014 | Head of Internal Audit and Head of Revenues & Benefits |

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| 6 | <p>Member Training</p> <p>In light of the recent changes to the make up of the Council's membership, it would be timely to review the provision of training to Members.</p> <p>CIPFA has recently updated its guidance on best practice for Audit Committees. With the recent changes to the membership of the Council's Audit Committee (Civic Affairs) it would again be timely to review compliance with this.</p> | <p>Review the effectiveness of arrangements in place for providing training to new (and existing) Members.</p> <p>Review compliance with CIPFA's best practice guidance on Audit Committees.</p> | 31 March 2015 | <p>Head of Corporate Strategy</p> <p>Head of Internal Audit</p> |
| 7 | <p>Management of Change & Business Transformation</p> <p>In order to take forward an ambitious change and business transformation agenda, new arrangements have been put in place for the management and delivery of projects.</p> | <p>Review the effectiveness of the new programme office arrangements put in place to manage new projects.</p> | 31 March 2015 | <p>Strategic Leadership Team</p> |

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:

.....
Councillor Lewis Herbert
Leader of the Council

Date: 2014

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Antoinette Jackson
Chief Executive

Date: 2014

Appendix B - Cambridge City Council - Code of Corporate Governance 2014-15

Review Date: June 2014

A Council's Code of Corporate Governance is

“ the system by which local authorities direct and control their functions and relate to their communities”

Guidance from CIPFA and SOLACE suggests each local authority should have a Code of Corporate Governance based on 6 principles:

- 1 Focusing on the purposes of the authority; on outcomes for the community; and creating and implementing a vision for the local area.
2. Members and Officers working together to achieve common purposes with clearly defined functions and roles.
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and risk management.
5. Developing the capacity and capability of Members and Officers to be effective.
6. Engaging with local people and other stakeholders to ensure robust public accountability.

The Council adopted a Code of Corporate Governance on 25 April 2002. It has been reviewed annually since then. This is the 2014 review. The Council's Civic Affairs Committee will be asked to consider the revised Code and to recommend it to full Council for adoption.

This Code takes each of the principles of good governance in turn and sets out the systems, processes and principles the Council has put in place to ensure good corporate governance.

The Code will be reviewed annually through the Annual Governance statement process, which will identify the actions to be taken to enhance the code or address any limitations with in it.

Simon Pugh
Head of Legal Services and Monitoring Officer

13 June 2014

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

| | | Supporting Evidence |
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| 1.1 | <p>The Council will have a clear vision for the City and set objectives to guide the Council's activities.</p> <p>It will review those objectives each year, through the Annual Statement agreed at the Annual Council meeting.</p> | <p>Vision</p> <p>Annual Statement</p> |
| 1.2 | <p>The Council will work with partners to develop and deliver an operational plan for the Local Enterprise Partnership, (including the Strategic Economic Plan and European Structural & Investment Fund Strategy) and contribute to the agreement of priorities for the Health & Wellbeing Board and other relevant countywide partnerships.</p> | <p>Local Enterprise Partnership Business Plans</p> <p>Health and Wellbeing Strategy</p> |
| 1.3 | <p>The Council will have a Mid-Year Financial Review to resource the Council's aspirations and to assess and plan for any financial risks. The strategy will be reviewed annually.</p> | <p>Mid-Year Financial Review</p> |
| 1.4 | <p>The Council will put service to the public first. The annual portfolio planning process will be used to agree the priorities for each area of Executive Councillor responsibility. The Plans express the strategic objectives for the portfolio over the financial year 2014/15 and beyond. Beneath each of the objectives are detailed the particular outcomes to be achieved in 2014/15. Finally the plans will include performance</p> | <p>Portfolio Plans</p> <p>Agenda for Scrutiny Committees March 2014/15 cycle</p> |

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| | <p>measures that will provide evidence that the outcomes have been achieved.</p> <p>This information will enable members and the services contributing to the delivery of the plan to be clear about the priorities for the portfolio and will assist in decisions about where resources should be focussed within the portfolio.</p> <p>Heads of individual service areas prepare operational plans indicating how they will meet objectives set in portfolio plans and setting out their priorities and work programmes for the year ahead.</p> | Operational Plans |
| 1.5 | <p>Each year the Council will publish an Annual Report and Statement of Accounts giving information on the authority's vision, strategy, performance, future plans and financial statements.</p> | Annual Report and Statement of Accounts |
| 1.6 | <p>The Council will seek to provide value for money to local people.</p> <p>It will work to maximise its resources by delivering services as efficiently as possible, working in partnership with others and using other providers where these are the best options.</p> <p>It will have a clear Procurement Strategy designed to meet the Council's wider objectives and Contract Procedures Rules designed to deliver robust and fair procurement processes.</p> | Procurement Strategy |

2 Members and Officers working together to achieve common purposes with clearly defined functions and roles

| | | Supporting Evidence |
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| 2.1 | <p>The Council will set out a clear statement of the roles and responsibilities of Executive Members, other Members and Council Officers in its Constitution.</p> <p>The scheme of delegation within the Constitution will make clear what matters are reserved for collective decision-making by full Council.</p> | <p>Constitution</p> <p>Member/Officer Protocol</p> |
| 2.2 | <p>A Member/Officer protocol will be used to aid effective communication between Officers and Members and to clarify their respective roles and appropriate ways of working.</p> | |
| 2.3 | <p>The Council's Chief Executive is its Head of Paid Service responsible and accountable to the authority for its operational management.</p> <p>The Head of Finance is the Council's Chief Financial Officer and 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.</p> | <p>Constitution</p> <p>Job Descriptions for the Chief Executive, Head of Finance and Monitoring Officer</p> <p>Schedule on the Role of the Chief Financial Officer</p> |

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| | The Head of Legal Services is the Council’s Monitoring Officer, responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. | |
| 2.4 | The Council will ensure that these Statutory Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council. | Portfolio Plans Performance Reviews Professional Qualifications and training |
| 2.5 | The Council’s Civic Affairs Committee will be responsible for constitutional issues and will ensure that the constitution is monitored and updated when required. | Terms of Reference of Civic Affairs Committee |
| 2.6 | The Council will use an Independent Remuneration Panel to give advice on payments for Members and consider their advice when setting the Members’ Allowance Scheme. The Panel will operate in an open and transparent manner, making their agendas, reports and minutes available to the public. The Members’ Allowance Scheme will also be made available to the public and on the Council’s website and the scheme will be reviewed annually. | Independent Remuneration Panel Terms of Reference Independent Remuneration Panel agendas, reports and minutes Members’ Allowance Scheme Pay Policy Statement |

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| 2.7 | <p>When working in partnerships the Council will ensure that Members are clear about their roles and responsibilities, both individually and collectively, in relation to the partnerships and to the Council.</p> <p>It will also ensure that there is clarity about the legal status of each partnership and that all representatives in the partnership have clarity about their powers to bind their own organisation to partnership decisions.</p> <p>The Council will operate in accordance with principles of partnership working agreed with our key partner organisations.</p> | <p>Partnership Terms of Reference</p> <p>Principles of Partnership Working</p> |
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3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

| | | Supporting Evidence |
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| 3.1 | <p>The Council will expect the authority's leadership – both Members and Officers - to create a climate of openness, support and respect and to uphold the Council's values as expressed in the Council's Mid-Year Financial Review document.</p> <p>The standards of conduct and personal behaviour expected of Members and staff will be set out in the Officer Code of Conduct, the Member Code of Conduct and in the Member/ Officer protocol. An up-to-date register of Member and Officer Senior Officer Interests will be maintained.</p> | <p>Constitution</p> <p>Confidential Whistleblowing Policy</p> <p>Annual Complaints Report</p> <p>Prevention of Fraud and Corruption Policy</p> <p>Register of Interests</p> |
| 3.2 | <p>The Council has adopted a Code of Conduct for Councillors and has put in place procedures for considering complaints. The Council has appointed two “independent persons” to support this, in accordance with the requirements of the Localism Act, 2011.</p> <p>It will maintain a Whistleblowing policy to enable confidential reporting of suspected breaches of the Officer Code of Conduct or unethical behaviour and will report on how the policy is used through the Annual Review of the Prevention of Fraud and Corruption Policy.</p> | <p>Code of Conduct for Councillors</p> <p>Terms of reference for Independent Persons</p> <p>Annual Complaints Report</p> <p>Whistleblowing Policy</p> |

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| | <p>It will also maintain a Prevention of Fraud and Corruption Policy and both policies will be reviewed regularly by the Civic Affairs Committee.</p> <p>The terms of reference of the Civic Affairs committee includes responsibility for advising on the Council's ethical framework and the promotion of openness, accountability and probity to ensure the highest standards of conduct.</p> | <p>Prevention of Fraud and Corruption Policy</p> <p>Terms of reference for Civic Affairs Committee</p> |
| 3.3 | <p>The behaviour expected of staff and managers will be set out in the Council's competency framework and this will be used as the basis for staff performance appraisal.</p> | <p>Competency Framework</p> <p>Grievance and Disciplinary Procedures</p> |
| 3.4 | <p>The Council's standing orders and financial regulations will put in place processes designed to ensure that Members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.</p> | <p>Constitution</p> |
| 3.5 | <p>The Council will ensure all partnerships with which it is engaged have a set of values or criteria against which decision-making and actions can be judged. It will work with those partnerships to ensure they are open and accountable and have clear governance structures in place.</p> | <p>Partnership Terms of Reference</p> <p>Principles of Partnership Working</p> |

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

| | | Supporting Evidence |
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| 4.1 | The Council will operate within the legal framework for local councils complying with its statutory duties and making the most of its powers to meet the needs of the City and its residents. | Core Competencies for managers Managers' Job Descriptions Role of Monitoring Officer |
| 4.2 | The Council will hold its meetings, and those of its committees and working groups, in public unless there are good reasons for confidentiality. The public will be allowed to ask questions at all Council and committee meetings. | Committee Agendas Constitution Committee Forward Plan |
| 4.3 | The Council will make sure members of the public have access to information about the workings of the Council. It will make clear what information is routinely published through its Freedom of Information Publication scheme and will respond promptly to requests for information. The Council will publish on its website all responses to Freedom of Information requests. | Publication Scheme Freedom of Information requests monitoring reports Council Website Open data |

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| 4.4 | <p>The Council will respect the personal data of its citizens, employees, suppliers and others the Council may communicate with in line with the principles of the Data Protection legislation and will make this clear in its own Data Protection Policy. The Council will respect the privacy of members of the public when carrying out investigations and will ensure that privacy is only interfered with when the law permits and there is clear public interest justification.</p> | <p>Data Protection Policy Regulation of Investigatory Powers Act 2000 – Procedure guidance Information Security Group Serious Information Risk Officer</p> |
| 4.5 | <p>The Council will record the deliberation of scrutiny committees and the reasons for Executive and Regulatory decisions and make agenda papers and minutes available on the Council’s website. The Council will also record and publish on the website written questions asked at Council meetings and their answers, and oral questions and answers where these are available.</p> | <p>Agendas and Minutes of Committees Council website</p> |
| 4.6 | <p>Officers will use standard report templates for committee and executive reports to help ensure that readers are provided with information that is accurate, complete and unbiased. Reports will make clear the options available so that the implications of all decisions and strategic risks can be assessed before those decisions are made.</p> | <p>Standard committee report templates</p> |

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| 4.7 | <p>The Council will actively consider the environmental impact of the Council's decisions before those decisions are made.</p> | <p>Climate Change Rating Tool for Council Policies Plans and Projects</p> <p>Climate Change Strategy</p> <p>Carbon Management Plan</p> <p>Committee reports</p> <p>Budget Setting Report</p> |
| 4.8 | <p>The Council will develop and maintain an effective Scrutiny process to encourage constructive challenge and enhance the Council's performance.</p> <p>It will also have clear protocols about Members' access to information and officer advice to enable them to perform their roles.</p> | <p>Terms of Reference of Scrutiny Committees</p> <p>Protocol</p> |
| 4.9 | <p>The Council will have a network of Area Committees to ensure neighbourhood issues are considered in the Council's decision-making processes.</p> | <p>Area Committee terms of reference</p> |
| 4.10 | <p>The Council will have a Joint Development Control Committee with the County Council and South Cambridgeshire District Council for decisions affecting growth sites bordering the City and South Cambridgeshire.</p> | <p>Terms of reference of Joint Development Control Committee</p> |

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| 4.11 | <p>The Council will have a clear and publicised complaints system, including the appointment of an independent complaints investigator, so that members of the public can express dissatisfaction with Council services and their concerns can be monitored and addressed.</p> <p>It will publish an Annual Complaints report analysing trends in complaints against the Council and what has been done to address them.</p> | <p>Complaints leaflet On-line complaints form Annual Complaints report</p> |
| 4.12 | <p>The Council's Civic Affairs Committee will fulfil the core functions of an Audit Committee.</p> | <p>Terms of Reference of the Committee</p> |
| 4.13 | <p>The Council will maintain an independent Internal Audit function, with a risk-based annual audit plan, designed to test regularly that the Council's policies and processes operate in practice and that the Council complies with legislation and good practice.</p> <p>The Head of Internal Audit will produce an annual opinion on the Council's internal control environment to meet the requirements of the Code of Practice for Internal Audit in Local Government in the UK, 2006. The Head of Internal Audit Opinion will be used to inform an Annual Governance Statement and this will be signed off by the Chief Executive and Leader of the Council.</p> | <p>Annual Audit Plan Head of Internal Audit Opinion Annual Governance Statement</p> |

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| 4.14 | <p>The Council will also agree an annual work plan with its External Auditors to test the Council’s response to major legislation and the soundness of its financial and governance processes.</p> <p>Recommendations arising from internal and external audit and inspection processes will be used to inform future decision-making.</p> | <p>Terms of Reference of Civic Affairs Committee</p> <p>Risk Register</p> <p>Annual Audit letter</p> |
| 4.15 | <p>The Council will ensure that risk management is embedded into the culture of the authority, with managers at all levels recognising that risk management is part of their job.</p> <p>It will have a Risk Management Strategy, supplemented by procedures and guidance.</p> | <p>Risk Management Strategy</p> <p>Procedures and guidance on the Council’s Intranet</p> |
| 4.16 | <p>The Council will undertake systematic risk assessments in all areas of Council activity, including those covered by Health and Safety legislation.</p> <p>It will maintain a corporate risk register detailing the Council’s strategic and service risks and review this regularly.</p> | <p>Risk Assessments</p> <p>Risk Register</p> |
| 4.17 | <p>The Council will ensure that risk assessment is incorporated into the Council’s decision making and Members are advised of the Council’s risk profile at key stages.</p> | <p>Risk Management Strategy and Guidance</p> |

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

| | | Supporting Evidence |
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| 5.1 | The Council will seek to maintain its Investors in People accreditation. | IIP Accreditation |
| 5.2 | <p>The Council's People Strategy will set out how the Council will recruit, reward and develop its staff to reach their full potential.</p> <p>Staff joining the Council will be offered an induction programme and their training and development needs will be reviewed regularly through the Council's annual performance review process, which applies to all staff.</p> | <p>People Strategy</p> <p>Council Induction Programme</p> <p>Performance Review process</p> |
| 5.3 | <p>The Council will have up-to-date job descriptions. It will set and monitor clear objectives for Officers through the annual performance review process.</p> <p>It will agree appropriate remuneration for officers based on an agreed framework of national and local agreements which include job evaluation.</p> | <p>Job Descriptions</p> <p>Performance Review process</p> <p>Competency Framework</p> |

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| 5.4 | <p>The Council will offer all new Members an induction programme and the opportunity to develop, with the Member Training Champions, a tailored personal development plan to meet their needs. The Council will also provide resources for training, attending conferences/seminars and briefings in-house for all elected Members. It will keep a register of the training received by Members and will involve the Member Training Champions in reviewing training needs and the resources available during the year.</p> | Member Induction Programme |
| 5.5 | <p>The Council will encourage and facilitate Members to have appropriate training or briefing before performing certain roles (e.g. dealing with staff recruitment or disciplinary issues, being a member of the Planning or Licensing Committees).</p> | |
| 5.6 | <p>The Council will seek expertise from outside the authority when it does not have the necessary skills in-house, making use of peer reviews and other mechanisms for ensuring challenge of Council services.</p> | |
| 5.7 | <p>The Council will seek to encourage engagement in its work through a variety of means including through area committees, public representatives on the Equalities Panel, Tenant Representatives on the Housing Scrutiny Committee and involvement of appointed “Independent Persons” in the work of the Civic Affairs Committee.</p> <p>It will also put resources into outreach work through its community development services and support to tenant and leaseholder representatives.</p> | <p>Membership and Terms of Reference of these bodies</p> <p>Public Questions and petitions</p> |

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

| | | Supporting Evidence |
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| 6.1 | <p>The Council will ensure that the authority as a whole is open and accessible to the community, service users and its staff.</p> <p>It will promote the role of Councillors and make the public know who the Councillors are, what roles they have on the Council and how to contact them.</p> <p>It will treat everyone fairly and strive to treat all as rational people able to make up their own minds.</p> <p>It will also strive to provide services on the basis of need rather than ability to pay.</p> | <p>Citizen Survey results</p> <p>Public Question Time and Petition procedures</p> <p>Council Website</p> <p>Cambridge Matters</p> <p>Annual Statement</p> <p>Charging policies for services</p> |
| 6.2 | <p>The Council will make clear through its website and other Council publications the services that it is responsible for, how people can contact the Council and the service standards they can expect.</p> | <p>Council website</p> <p>Council Tax Leaflet</p> <p>Annual Report</p> <p>Open Door</p> <p>Cambridge Matters</p> |
| 6.3 | <p>The Council will undertake surveys of residents to ensure that it has up to date information about their priorities and levels of satisfaction with the Council and its services.</p> | <p>Citizens Surveys</p> |

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| 6.4 | <p>The Council's consultation programme will ensure that the Council proactively seeks the views of a wide range of people and engages with all sections of the community effectively.</p> <p>This will be achieved through a mix of corporate consultation initiatives with more targeted consultation on service specific issues led by relevant departments.</p> | <p>Consultation reports Statement of Community Involvement Code of Best Practice on Consultation and Community Engagement</p> |
| 6.5 | <p>The Council will seek to ensure all views are actively considered when making decisions, recognising that it is not always possible to reconcile conflicting viewpoints.</p> <p>The Council will ensure it makes feedback available to consultees on the outcomes of consultation, what has changed as a result and explaining why it has made the decisions it has.</p> | <p>Consultation pages on website Council Publications Code of Best Practice on Consultation and Community Engagement</p> |
| 6.6 | <p>The Council will undertake Equality Impact Assessments of all major Council decisions and take action to implement changes required, to ensure that council services and policies consider the diverse needs of its service users and citizens.</p> <p>It has a Single Equalities Scheme covering race, disability, gender age, sexual orientation and religion or belief and an Action Plan will be reviewed annually.</p> <p>It will also use "Mapping Poverty" research data, or other relevant data, to inform decisions about relative deprivation in the City.</p> | <p>Examples of Equality Impact Assessments Annual Review of Equalities Single Equality Scheme Comprehensive Equalities Action Plan Mapping Poverty report</p> |

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| 6.7 | The Council's Equalities Panel (which has staff, member and public representatives) will help the Council evaluate its success in promoting diversity and meeting a broad range of needs. | Terms of Reference and agendas of meetings |
| 6.8 | The Council will enter into compacts with Tenants and the Voluntary Sector agreeing ways of working with these two stakeholder groups. The Compacts will be reviewed on a regular basis. | Compact documents |
| 6.9 | The Council will set out in its collective agreements, employment policies and procedures, and terms of reference for forums and meetings involving trade unions, and how it will consult with staff and Trade Unions. | Collective Agreements Employment policies and procedures Trade Union Facilities Agreement |
| 6.10 | Members will meet with the Trade Unions in a Joint Staff/ Employer Forum. Each council department will have departmental staff forums and there will be a monthly Joint Trade Unions Group meeting. | Joints Staff /Employer Forum Terms of Reference and Agendas/Joint Trade Unions Group Agendas and Minutes Trade Union Facilities Agreement |