

Borough Council of
**King's Lynn &
West Norfolk**



Annual Governance Statement

2015

Covers the 2014/15 year

1. Scope of responsibility

The Borough Council of King's Lynn and West Norfolk is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory 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 the above.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The 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.west-norfolk.gov.uk. This Annual Governance Statement explains how this 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 in relation to the effectiveness of the system of internal control.

2. The purpose of the governance framework

The governance framework comprises the systems, policies, procedures and operations by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to 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 on-going process designed to

- identify and prioritise the principal risks to the achievement of the Council's policies, agreed outcomes and objectives
- evaluate the likelihood and potential impact of those risks being realised
- manage them efficiently, effectively and economically.

The governance framework has been in place at the Borough Council of King's Lynn and West Norfolk for the year ended 31 March 2015 and remains in place to date.

3. The governance framework

The Council's governance framework is made up of the many systems, policies, procedures and operations we have in place to do the following:

3.1 Publish our aims for local people and others who use our services

The Council shares a common ambition with its partners to improve the quality of life in West Norfolk. Broad aims – or outcomes – to work towards for the borough are set out in the West Norfolk Strategy:

- people benefit from a growing economy
- people live in a quality environment
- people maximise their potential
- people lead safe and healthy lives
- people live in thriving communities

These aims are shared with our key partners, many of whom form the West Norfolk Partnership, which brings together the public and voluntary sector leaders in West Norfolk. The same five outcomes – plus one which looks at how the Council wants to use its resources – have been used as the framework for the Council's Corporate Business Plan 2011/12 – 2014/15, which is the overarching strategy for the Council. By using the same outcomes as the West Norfolk Strategy, the Council can clearly show how it contributes and how its vision is aligned with our partner organisations.

The Corporate Business Plan is aligned with the Council's Financial Plan and is available on the Council's website.

3.2 Review our aims and the implications on our governance arrangements

The Council's Corporate Business Plan was refreshed during 2013/14 as the plan was halfway through its life. Officers and Councillors have worked hard to achieve the updated aims set out in the Plan and progress has been reviewed through our Corporate Business Plan Monitoring report, considered every six months by the Resources and Performance Panel. The Council's senior management team are instrumental in the achievement of our aims and through the regular meetings they hold, they ensure that our governance arrangements are consistent with, and support us in this.

In March 2015 the Council's Code of Corporate Governance was reviewed and updated. The revised Code sets out how the Council intends to apply the principles of corporate governance in accordance with CIPFA/SOLACE guidance. The revised Code includes a chart to demonstrate the various elements of the framework and has been refreshed to reflect the Council's current processes and procedures. The Code will be reviewed every three years to reflect any changes in the Council's governance framework and/or any revised guidance.

3.3 Measure the quality of our services and make sure we provide them in line with our aims and that they provide value for money

The Council has a Performance Management Framework which is, in effect, a summary of the key internal processes and components through which the Council sets, delivers, monitors and reports on its priorities and services. As such the Performance Management Framework encompasses elements of strategy, finance, performance, people and risk management, and reporting and accountability. The Framework describes how the Council measures and monitors the performance of our services and is available on the Council's website.

3.4 Define and document the roles and responsibilities of the executive, non-executive, scrutiny and officer functions

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that these are efficient, transparent and accountable to local people. This defines, amongst other things the roles of the Council, Cabinet, how the

scrutiny and overview function operates, the Scheme of Delegation, and the roles and responsibilities of officers and members. The different elements of the Constitution are subject to periodic change either through national legislation or local decision. In the 2014/15 year, the Council's Scheme of Delegation was updated to take account of changes in Portfolio holder's responsibilities, thus ensuring that the decision making structure is in line with the structure of the Council.

Within the Constitution, full Council sets the overall budget and policy framework of the Council, while Cabinet makes decisions within this framework, and is held to account by the overview and scrutiny arrangements. Meetings are open to the public except where exempt or confidential matters are being disclosed. In addition, senior officers of the Council can make decisions under delegated authority. The Council publishes a Forward Decision List which contains details of key decisions to be made by the Council, its bodies and Executive Directors under their delegated powers.

During 2013/14 the Council underwent a Corporate Peer Challenge as part of the LGA's sector level improvement programme. The final report from the Peer Challenge team identified the scrutiny role as one for improvement and development. As a result, the Centre for Public Scrutiny have conducted a review of the current scrutiny process during 2014/15, leading to recommendations for improvements to the structure and arrangements which will be progressed following the 2015 elections.

3.5 Develop, communicate and embed codes of conduct which define the standards of behaviour for members and staff

The Council has in place key documents which communicate the standards of behaviour required of members and all Council staff (officers). These include the

- Members Code of Conduct
- Register of Disclosable Pecuniary Interests
- Protocol for Member/Officer Relations
- Employee Handbook
- Anti-Fraud and Anti-Corruption Strategy
- Whistleblowing Policy
- Fraud Response Plan
- Disciplinary / Grievance procedures
- ICT Email Policy
- ICT Internet Policy
- ICT Security Policy
- ICT Computer Usage Policy

The Anti-Fraud and Corruption Strategy, Whistleblowing Policy and Fraud Response Plan were updated in April 2014 to ensure they remain 'fit for purpose' and reflect current best practice. The Council's employee code of conduct (contained within the Employee Handbook) was refreshed during 2014 to ensure it more closely matched the model Code of Conduct for Local Government employees/HR portal as appropriate.

The Performance Management Framework describes how staff performance, including conduct, is managed. The Council also has a Harassment Procedure in place for staff, which demonstrates the belief that all employees have a right to be treated with dignity and respect, and that the Council will take steps to ensure this right is protected. All policies are available to all staff and Councillors via the Council's Intranet.

3.6 Review the effectiveness of the decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

Effective management is based on a framework of regular management information, financial regulations, standing orders and a structure of varying levels of responsibility. The Council has all this in place and we regularly review them to ensure they remain 'fit for purpose'.

During 2014/15 the Council has adopted new procedures to ensure compliance with 'The Openness of Local Government Bodies Regulations 2014', which requires Officers to record decisions made under a specific authorisation or under a general authorisation relating to, for example, the granting of a licence or awarding a contract which materially affects the body's financial position.

The West Norfolk Partnership, the Council's main partnership, which consists of key local bodies, reviewed and updated its operating protocols in March 2013. An annual review of the operation of the partnership is undertaken each spring, which includes one to one discussions with relevant parties to ensure the arrangements work effectively and that participants continue to obtain value from their participation.

The Council has a Data Quality Policy and Strategy in place and available on its website. The document shows that the Council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others, ensuring that the data produced adheres to the 7 principles of data quality.

3.7 Ensure the framework for identifying and managing risks, and for developing counter-fraud and anti-corruption arrangements are effective and well-maintained

The Council recognises it has a responsibility to manage both internal and external risks as a key component of good corporate governance and is committed to making sure that risk identification and management is embedded into the daily operations of the Council. Full details are contained within the Risk Management Strategy, which will be reviewed and refreshed during 2015/16. The Corporate Risk Register is reviewed regularly by the Council's Executive Directors and the Audit and Risk Committee receive reports on a half-yearly basis on the position of the register.

The investigation of Benefits and Council Tax fraud was carried out by members of the Audit and Fraud team in 2014/15 prior to the Benefits investigations being transferred to the Department for Work and Pensions (DWP) on 1st April 2015. During the year an assessment was carried out of the residual fraud investigations workload that would remain with the Council after the transfer. As a result, an Investigations Officer/Auditor post was created and an appointment made to commence on 1st April 2015.

The Council has in place an Anti-Fraud and Anti-Corruption Strategy, which details the approach to its arrangements. The Strategy covers the roles of elected Members, employees and Managers (including contractors and agents), the Internal Audit and Fraud team and External Audit.

Additionally, the Council is actively involved in national anti-fraud initiatives, including the Housing Benefit Matching Service with the Department for Work and Pensions, the National Anti-Fraud Network and the National Fraud Initiative.

In September 2013 a 'Baseline Personnel Security Standard' (BPSS) was introduced by the Cabinet Office to ensure that all users of the Public Services Network (PSN) meet a minimum baseline standard of security checks. The guidelines required existing staff who use the PSN to comply with the standard and also had implications for recruitment processes. In response to this guidance, the Council took steps to ensure that all users of PSN services or data and all users of PSN e-mail accounts had been validated to the BPSS during early 2014/15. As a result the Council was fully compliant with the standard for its 2014 PSN compliance audit. A further requirement to have all users of the a PSN connected network validated to the BPSS was subsequently removed following further guidance from the Cabinet Office issued during the summer of 2014. The Council has implemented revised recruitment and appointment processes to ensure compliance is maintained for all new employees who use PSN services/data and all new users of a PSN e-mail account.

3.8 *Ensure effective management of change and transformation*

The Council has a good history of dealing with change and transformation. Recent years have necessitated considerable changes to take place in order to accommodate reductions in government grants and council tax freezes. This work has continued throughout 2014/15 with Members being actively involved in identifying and approving areas where change and transformation can take place to ensure the required savings are achieved whilst protecting front line services.

Senior officers are trained in effective project management techniques to deliver the required change and the Council's Performance Management Framework shows how the corporate aims translate into targets for staff. During the 2013/14 year a number of project groups, consisting of Service Managers from across the authority, were set up to review and implement changes in key areas, such as Asset Rationalisation, Channel Shift, Optimisation of ICT, Printing and Procurement. These projects have medium to long-term timescales in terms of delivery, and a programme of regular updates is in place. Progress with these projects is reported regularly to Management Team and Extended Management Team, who cascade the update to their staff. In addition, staff across the Council have been trained in 'Lean' techniques and work is being undertaken in priority areas to review major processes from a 'Lean' perspective with the aim of maximising efficiencies by removing duplication, implementing process improvements and realising savings.

3.9 *Ensure the authority's financial management and governance arrangements conform to the governance requirements of the latest CIPFA statements on the 'Role of the Chief Financial Officer in Local Government' and the 'Role of the Head of Internal Audit'. Where they do not, explain why and how they deliver the same impact*

The two CIPFA statements mentioned above are helpful tools to allow the Council's arrangements to be benchmarked against a clearly defined framework. Arrangements in place conform to the requirements outlined in the CIPFA 'Role of the Head of Internal Audit'.

In respect of the CIPFA statement on the 'Role of the Chief Financial Officer in Local Government', the Council's arrangements largely comply, with the exception that during 2014/15 the Chief Financial Officer did not report directly to the Chief Executive and was not a member of the Leadership Team. Instead, the Chief Financial Officer reported to the Deputy Chief Executive, as reflected in the Council's Scheme of Delegation. However, the Chief Financial Officer did attend the Leadership Team meetings when a report contained financial or other relevant information, and did have direct access to the Chief Executive,

Executive Directors, Members, the Audit and Risk Committee and external audit as required. Revisions to the organisation structure which will result in the Chief Financial Officer reporting directly to the Chief Executive, and forming part of the Leadership Team, will take effect early in the 2015/16 year.

3.10 *Ensure effective arrangements are in place for the discharge of the Monitoring Officer and Head of Paid Service functions*

The Council employs a Monitoring Officer who is responsible for ensuring compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service, the Monitoring Officer will report to full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration. In addition, a report is taken to the Audit & Risk Committee on the areas of responsibility that the Monitoring Officer has.

The Chief Executive is the Council's Head of Paid Service and has overall responsibility for the management and co-ordination of the employees appointed by the Council. The Chief Executive is required to report to the Council as appropriate with regard to the way in which the different functions of the Council are co-ordinated, the number and grades of staff required for the discharge of these functions, the way in which these people are organised and managed and the way in which they are appointed.

3.11 *Carry out the main functions of an Audit Committee, as identified in CIPFA's 'Audit Committees: Practical Guidance for Local Authorities'*

Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting, and this assurance is best provided by a committee that is independent from the executive and scrutiny functions, in this Council, the Audit and Risk Committee.

The Audit and Risk Committee was set up in 2006 with Terms of Reference drawn up in line with guidance from CIPFA. These were reviewed in 2013 and the next review will take place in 2016/17.

A review is undertaken each year of the effectiveness of the Audit and Risk Committee. Although the Committee membership has changed following the Election in May, a review of the work of the previous Committee in 2014/15 was presented to Cabinet on 9th September 2015. The review concluded that the Committee is functioning correctly as an audit committee and is effective in its role.

3.12 *Ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is legal*

The Council's Constitution provides a comprehensive framework for the management of the authority's business and ensures compliance with relevant laws, regulations, internal policies and procedures. Policy Review and Development Panels assist Cabinet and Council to ensure that compliance is considered where appropriate and report templates for those panels and for Cabinet ensure all elements are considered at the time the report is presented. Statutory Officers – Head of Paid Service, Monitoring Officer and Chief Financial Officer – are in post to monitor and ensure adherence. During 2014/15 a compliance check undertaken by HMRC identified the need to improve processes for the payment of self-employed contractors via the creditors system. The Council's financial regulations and contract standing orders will be updated to reflect the required changes, and are scheduled to be reported to Cabinet in July 2015.

All initiatives undertaken, including those with financial elements, are either progressed due to being a statutory requirement or because it will contribute to a key aim of the Council. All initiatives are reviewed by regular meetings of the Management Team and senior managers in order to ensure compliance and that spend is legal. Additionally, the Chief Executive and Deputy Chief Executive or another representative from Management Team meet weekly with the Leader and Deputy Leader to ensure the senior members are aware of any matters that are relevant.

3.13 Ensure arrangements are in place for whistleblowing and receiving and investigating complaints from the public

The Council has a Whistleblowing Policy in place, produced in accordance with the provisions of the Public Interest Disclosure Act 1998. This Policy was updated in April 2014 to reflect current best practice and was re-issued to staff at that time.

The Council has a Corporate Complaints procedure, available on the Council website or on paper on request. These are reviewed regularly to ensure they remain up-to-date. The Council also deals with any incidents of racial complaints, or complaints relating to a disability, in a similar but separate process. The complaints received are analysed and results presented to the Resources and Performance Panel on an annual basis.

3.14 Identify development needs of members and senior officers in relation to their strategic roles, supported by effective training

The Council provides a complete programme of learning and development to officers and members, demonstrated by the Workforce Learning and Development plan 2012-15. Learning and development needs for staff are identified through the performance management process and in response to organisation/service level needs and these are translated into an annual training plan. The Council has a commitment to Management Training and has a rolling programme of Management Development courses of differing levels, including specific sessions to support the development of Service Managers.

Member's development needs are identified through use of a questionnaire following their election, and are also identified during the year as matters arise at meetings and questions of training needs arise. The Policy Review and Development Panels regularly receive updates on relevant topics as part of their agenda, for example planning, licensing, local flooding issues, car parking and current initiatives. The topics are identified either by officers or members and helps to ensure members are better informed and have input at an early stage.

Additionally, a series of briefings offered to all members, which take place before Full Council meetings, have been undertaken during this year; topics covered in the past year have included updates on major projects such as bus station and major housing project, the Code of Conduct, Clinical Commissioning Group functions and changes in benefits legislation.

3.15 Establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council welcomes views from the public and community as part of the constitutional process. These views are considered through formal and informal consultation processes. Examples of these are: consultations undertaken as part of the scheme [to develop the Saturday Market Place](#); improvements to the bus station; enhancements to the Town Hall and the major housing scheme.

In November 2013, the first meeting of a new King's Lynn Area Consultative Committee took place. The Committee, which was established as a consultative forum for the unparished

areas of King's Lynn, was initially scheduled to operate until 1 May 2015. A report to Council on 23 April 2015 agreed that it would continue to operate for a further four years.

The Council undertakes customer satisfaction surveys for customers who visit the Council Offices or contact us via the telephone. The Council's website has 'Govmetric' on its pages, a method through which customers can tell us how they rate the information or service.

The Council is increasingly using social media to communicate and engage. Social media guidelines were rolled out to staff during 2013/14 to ensure this form of communication is used effectively and responsibly. Results of all methods of communication are fed back into service delivery, ensuring accountability. The Council also monitors feedback from residents and service users through compliments and complaints received.

3.16 Incorporate good governance arrangements in respect of partnerships and other joint working and reflect these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others in terms of the potential for a detrimental impact on the Council should the partnership fail. Formal, service delivery partnerships such as CNC Building Control, delivery of Home Improvement Agency services with Fenland District Council, car parking arrangements with North Norfolk District Council, civil parking enforcement arrangements and the joint venture agreement for housing on the NORA site with Norfolk County Council, are subject to formal governance arrangements and include processes for reviewing the delivery of benefits and arrangements for termination should the arrangement not be serving the purpose for which it was created.

During 2014/15 the Council participated in a joint procurement exercise for a new banking provider in conjunction with other Norfolk Authorities. As a result a single banking provider is now in place, but with each participant having its own contract that reflects its own service specification. The combined transactions volumes of this joint approach have helped make this tender more attractive to potential suppliers, leading to the achievement of a competitive price for the service.

The Council also operates informal, collaborative partnerships, such as the West Norfolk Partnership and the Youth Advisory Board. Although the West Norfolk Partnership, for example, is now an informal arrangement, regular reports are presented to the Resources & Performance Panel, to ensure that members are kept informed of initiatives and progress. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements. It therefore actively supports open and transparent arrangements in all its partnership working.

Appendix A

The table at Appendix A demonstrates how the core and supporting principles of corporate governance, as detailed in the Council's adopted Code of Corporate Governance have been upheld during the year 2014-2015.

4. Review of effectiveness

The Council has a responsibility to review the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work

of Internal Audit and the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates, where undertaken.

The process of maintaining and reviewing the effectiveness of the system of internal control includes the following measures and actions:

- Overview and Scrutiny arrangements are in place; Scrutiny Panels review the work of the Council throughout the year and report annually to Council
- The Audit and Risk Committee carries out an overview of the activities of the Council's internal and external audit functions. Members of the Audit & Risk Committee are provided with copies of all reports produced by Internal Audit and the external auditors, and also receive regular reports on matters relating to finance, fraud and risk management. The Committee approves the annual plans for each, and receives regular progress reports throughout the year. The Audit Manager submits to the Committee an Annual Report and Opinion, and the external auditors submit an Annual Audit letter. The Audit Manager has included an audit opinion on the adequacy and effectiveness of the council's systems of internal control in the Annual Report and Opinion on work completed during 2014/15 which went before the Audit and Risk Committee on 21 July 2015. The report states that in the Audit Manager's opinion, the Council's control arrangements were adequate and effective in 2014/15, with sound controls in all key areas.
- The Internal Audit service is a directly employed in-house service, providing a continuous review in accordance with the Council's obligations under the Local Government Act 1972, and the Accounts and Audit Regulations 2011. Since 1 April 2013 the service has operated under the Public Sector Internal Audit Standards (PSIAS). To ensure the internal audit function meets the PSIAS requirements, an independent external quality assessment was completed, resulting in the function being found to 'Generally Conform' in 50 criteria out of 56. The subsequent report was presented to the Audit and Risk Committee on 28 October 2014 and a further self-assessment effectiveness review has been presented on 21 July 2015.
- The Audit Manager has also completed a review of the effectiveness of the Audit & Risk Committee itself. The result was reported to the Audit and Risk Committee on 21 July 2015 and concluded that the Committee is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.
- The Council's external auditors review the activities of the Council, approve the annual accounts and certify grant claims (where required). Conclusions and significant issues arising are detailed in various reports from the auditors. Their 'Audit Results Report' (formerly known as the 'Report to those charged with Governance (ISA 260)') went before Cabinet on 8 September 2014; the Annual Audit Letter went before the Audit & Risk Committee on 25 November 2014. These reports from the external auditors refer to the 2013/14 financial year (the latest available) and raised no concerns of a material nature.
- A Member / Officer protocol is in place and forms part of the Council's constitution.
- Additionally, it is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements. There have been no issues arising during 2014/15 which have required the full Council to exercise its role.

- In 2013/14 the Council underwent a LGA Corporate Peer Challenge and a report outlining the headline findings of this review was presented to Cabinet on 7 October 2014. Various actions identified by Management Team in response to the Peer Challenge's conclusions, covering corporate issues (such as the scrutiny function and developing the role of Extended Management Team) and heritage issues (including the Borough's programme of events and activities) were endorsed by Cabinet at this meeting, and have subsequently been progressed, with further work to be undertaken during 2015/16.
- The new arrangements in relation to Alive Management Limited have only been in place for six months and will be reviewed in full during the preparation of the Annual Governance Statement for 2015/16.

In summary, a review of arrangements for the 2014/15 year has been undertaken; the review has not highlighted any issues as significant weaknesses in governance or internal control during the year. The arrangements outlined above are in place and operating as planned.

5. Significant governance changes

There were three significant governance changes identified during the year under consideration:

5.1 On 1st September 2014 new arrangements for the operation of the Council's leisure and arts facilities took effect. A Charitable Company (Alive Leisure) gained responsibility for the strategic direction of leisure and arts in West Norfolk, and for managing its leisure and cultural facilities. At the same time a wholly owned Local Authority Company (Alive Management Limited) was established to deliver the operational side of leisure and cultural facilities.

Alive Leisure is independent from the Council and has a Service Level Agreement in place to deliver the leisure and cultural offering in West Norfolk. The Council has one of seven places on the Board of Alive Leisure and a lead nominated officer who oversees the day to day liaison between the Council and the Charitable Company. In addition, the Service Level Agreement requires the Trust to report formally to the Council's Regeneration, Environment and Community Panel on two occasions each year, reporting on performance against agreed performance indicators.

To enable the Charitable Company to deal effectively with the operation of leisure and arts facilities it reached an agreement with Alive Management Limited for the day to day delivery and management of operational aspects of the service. The Local Authority Company has its own Board and will report its results to the Resources and Performance Panel on an annual basis. The accounts for Alive Management Limited will be consolidated into the Council's accounts annually.

A funding agreement exists between the Council and the Charitable Company which sets out the requirements for the operation of the council's five leisure facilities, and to provide a sports development service. This agreement will operate on a rolling three year basis, which, at the end of each financial year, may be extended for an additional year (subject to the agreement of both parties).

5.2 The Council has operated a commissioning model for the provision of legal services for the past 2 – 3 years, overseen by an in-house Legal Services Manager, which has proved to be a successful method of reducing costs whilst broadening the range of

professional expertise available to the Council. As a result of staff turnover, the opportunity was taken to delegate provision of legal services to Eastlaw (North Norfolk District Council) on a rolling annual agreement basis. This agreement retains a legal resource within the Council, provides general legal advice to Senior Officers and oversees the commissioning of work.

5.3 During 2014/15 the Council has complied with the requirements of the Local Government Transparency Code 2014 as issued on 1 May 2014 and subsequently re-issued on 3 October 2014 and again in February 2015. The Code, which is issued under the Local Government, Planning and Land Act 1980 and two statutory instruments passed during 2014/15 make it a legal requirement for local authorities to publish specified data by prescribed deadlines and thereafter annually. The Council published all specified data on its website, in the prescribed format, by the required deadline.

The aim of the Code is to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. This makes a direct line to the requirement to establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

6. Action Plan

In the Annual Governance Statement for 2013/14 (presented to Cabinet on 10 September 2014) a 7 point Action Plan for 2014/15 was set out to deal with governance issues identified during the review for that year. All 7 points on that Action Plan have been completed, although some now have further actions which will be incorporated into the 2015/16 action plan. An Action Plan to be worked on during 2015/16, containing new items identified through the review undertaken on the 2014/15 year, is attached at Appendix B.

7. Assurance summary

From the review undertaken, the assessment and ongoing monitoring work completed¹ and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

No system of internal control could provide absolute assurances against material misstatement or loss; this statement is intended to provide reasonable assurance. There is an on-going process for identifying, evaluating and managing key risks. These risks are reflected in the audit plan, the Corporate Risk Register and are the subject of separate reports during the course of the year.

We are satisfied that an on-going process for identifying, evaluating and managing key risks exists. We propose over the coming year to take steps to address matters identified to further enhance our governance arrangements. We are satisfied that the steps outlined at Appendix B 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.

¹ By the Audit and Risk Committee

Signed:

Cllr Nick Daubney
Leader of the Council
24 September 2015

Ray Harding
Chief Executive
24 September 2015

APPENDIX A: APPLICATION OF THE PRINCIPLES OF GOOD GOVERNANCE

Principles	Requirements	Evidence
1. Focusing on the purpose of the Council and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area		
1.1 Exercising leadership by clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users	<ul style="list-style-type: none"> Develop & promote the authorities' purpose & vision 	Corporate Business Plan West Norfolk Operating Protocols Website and / or PR activity
	<ul style="list-style-type: none"> Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements 	Code of Corporate Governance, Cabinet report and evidence Review of Corporate Business Plan
	<ul style="list-style-type: none"> Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners 	WN Partnership Operating Protocols Leisure and Arts Legal Services King's Lynn Development Partnership Town centre partnership College / council liaison committee Downham Market leisure centre joint management committee Hunstanton Green Management Committee West Norfolk Alliance Press release: Norfolk Waste, New Anglia Local Enterprise, West Norfolk Alliance
	<ul style="list-style-type: none"> Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance 	Annual Financial Statement of Accounts Annual Governance Statement
1.2 Ensuring that users receive a quality service whether directly, or in partnership or by commissioning	<ul style="list-style-type: none"> Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available 	Corporate Business Plan Annual Directorate Plans Medium term financial strategy Performance Management Framework Customer satisfaction results
	<ul style="list-style-type: none"> Put in place effective arrangements to 	Complaints procedure

Principles	Requirements	Evidence
	identify and deal with failure in service delivery	Disciplinary procedure Annual complaints report
1.3 Ensuring that the Council makes best use of resources and that tax payers and service users receive value for money	<ul style="list-style-type: none"> Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions. Explore and rigorously test opportunities for shared services and joint procurement 	Performance Reports Benchmarking - LG Inform Environment Monitoring Report Joint refuse contract procurement (current contract) Conditions of Purchase Financial Regulations Contract standing orders Corporate Procurement Strategy Banking Tender Pay Policy Statement
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles		
2.1 Ensuring effective leadership throughout the Council by being clear about executive and non executive functions and of the roles and responsibilities of the scrutiny function	<ul style="list-style-type: none"> Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach to putting this into practice 	Constitution Record of delegated decisions Scheme of Delegation Portfolio Holders areas of responsibility on website
	<ul style="list-style-type: none"> Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers 	Constitution Member / Officer protocol Management Team responsibilities
2.2 Ensuring that a constructive working relationship exists between elected Members and officers and that the responsibilities of Members and officers are carried out to a high standard	<ul style="list-style-type: none"> Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required 	Scheme of delegation Constitution Member / Officer Protocol Standing Orders Financial Regulations
	<ul style="list-style-type: none"> Make a chief executive or equivalent responsible and accountable for all aspects of operational management 	Conditions of employment Scheme of delegation Comprehensive Equality Policy Chief Executive Job description / specification Performance management framework

Principles	Requirements	Evidence
	<ul style="list-style-type: none"> Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained 	Member / officer protocol
	<ul style="list-style-type: none"> Make a senior officer (the s151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control 	Section 151 responsibilities (job description) Financial Regulations Budget documentation Job description / specification HMRC compliance check
	<ul style="list-style-type: none"> Make a senior officer (usually the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and regulations complied with 	Job description / specification
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	<ul style="list-style-type: none"> Develop protocols to ensure effective communication between members and officers in their respective roles 	Member / officer protocol Baseline Personal Security Standard
	<ul style="list-style-type: none"> Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable) 	Pay & conditions Member Allowance Scheme Published pay and expenses of senior officers Published remuneration and expenses of members
	<ul style="list-style-type: none"> Ensure that effective mechanisms exist to monitor service delivery 	Performance management framework Performance reporting schedule Meeting schedule Panel and Cabinet reports
	<ul style="list-style-type: none"> Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated 	Corporate Business Plan Directorate Plans Performance Management Framework Budgets Budget consultation with business ratepayers
	<ul style="list-style-type: none"> When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the 	WN Partnership Operating Protocols Guidance from insurers when sitting on outside bodies

Principles	Requirements	Evidence
	authority.	Safer Neighbourhood Action Panels (SNAP) Norfolk Waste Partnership
	<ul style="list-style-type: none"> • When working in partnership: <ul style="list-style-type: none"> - Ensure that there is clarity about the legal status of the partnership - Ensure that representatives of organisations both understand and make clear to all other partnerships the extent of their authority to bind their organisations to partnership decisions 	WN Partnership working protocols Leisure and Arts Legal Services
3. Promoting the values of the Council and demonstrating the values of good governance through behaviour		
3.1 Ensuring Council Members and officers exercise leadership by behaving in ways that uphold high standards of conduct and exemplify effective governance	<ul style="list-style-type: none"> • Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect 	Members Code of Conduct Corporate Business Plan Code of Corporate Governance CofCG - Cabinet report Extended Management Team meetings Staff Briefing sessions Management Team updates
	<ul style="list-style-type: none"> • Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols 	Members code of conduct Officer code of conduct Performance appraisal system Induction process Complaints procedures Anti-fraud & anti-corruption policy Whistle Blowing Policy Data Protection Act 1998 staff guidance Equality Policy Computer Usage Policy Travelling Abroad with Council Devices Policy Data Sharing Agreement Employment Monitoring Data Protection e-learning

Principles	Requirements	Evidence
	<ul style="list-style-type: none"> Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice 	Standing orders Codes of conduct Financial regulations Register of Interests Harassment Procedure
3.2 Ensuring that organisational values are put into practice and are effective	<ul style="list-style-type: none"> Develop and maintain shared values including the leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners 	Codes of conduct Corporate Business Plan Directorate Plans Employee Handbook Internal Affairs Members Bulletin Whistleblowing Policy
	<ul style="list-style-type: none"> Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice 	Codes of conduct Internal Audit Strategic Plan Constitution Audit & Risk Committee Equalities Impact Assessment process Equality Policy Officer membership of professional bodies
	<ul style="list-style-type: none"> Develop and maintain an effective standards committee 	Terms of reference Reports to Council
	<ul style="list-style-type: none"> Use the organisation's shared values to act as a guide for decision-making and as a basis for developing positive and trusting relationships within the authority 	Decision-making practices Directorate Plans Financial Regulations Contract Standing Orders Weekly meetings of Management Team and CEO / Deputy CEO or another representative from Management Team and Leader / Deputy Leader Portfolio Holder meetings with senior management Planning Scheme of Delegation Scheme of Delegation
	<ul style="list-style-type: none"> In pursuing partnership working, agree a set of values against which decision-making and actions can be 	WN Partnership working protocols CNC Partnership

Principles	Requirements	Evidence
	judged. Such values must be demonstrated by partners' behaviour both individually and collectively	Agreement Civil parking enforcement arrangements
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
4.1 Exercising leadership by being rigorous and transparent about how decisions are taken and listening to and acting upon the outcome of constructive scrutiny	<ul style="list-style-type: none"> Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible 	Cabinet Scrutiny Committee Audit & Risk Committee Scrutiny and Overview Liaison Committee Agendas and minutes of meetings Internal Audit provision
	<ul style="list-style-type: none"> Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based 	Record of decisions and supporting materials Agendas and minutes of meetings
	<ul style="list-style-type: none"> Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice 	Members' code of conduct Register of Interests Employee handbook Declaration of Interests – standing item on meeting agendas Register of Members Financial and other interests Scheme of delegation Revenues and Benefits Register of Interests
	<ul style="list-style-type: none"> Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions 	Audit and Risk Committee - Terms of reference and associated annual review Membership of the Cttee
	<ul style="list-style-type: none"> Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints 	Complaints procedure
4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	<ul style="list-style-type: none"> Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for purpose – relevant, timely and gives clear explanations of technical issues and their implications 	Cabinet / Portfolio report templates Standard timetable for production and circulation of agendas Clear scheme of delegation Data Quality Strategy
	<ul style="list-style-type: none"> Ensure that proper professional advice on matters that have legal or financial implications is available and 	Record of decisions and supporting materials Reports available prior to

Principles	Requirements	Evidence
	recorded well in advance of decision-making and used appropriately	meetings Section 151 Officer, Monitoring Officer and professional Officers available for queries
4.3 Making sure that an effective risk management system is in place	<ul style="list-style-type: none"> Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs 	Corporate Risk Register Risk Management Strategy Financial Regulations Directorate Plans Equality Impact Assessments Risk section in cabinet reports Anti-Fraud and Anti-Corruption Policy Reports to Audit and Risk Committee
	<ul style="list-style-type: none"> Ensure that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access 	Whistle-blowing policy on Intranet and Website Fraud response plan
4.4 Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on local authorities by public law, but also accepting responsibility to use their legal powers to the full benefit of the citizens and communities in their area	<ul style="list-style-type: none"> Actively recognise the limits of lawful activity placed upon them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities 	Constitution Monitoring Officer provisions
	<ul style="list-style-type: none"> Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law 	Monitoring Officer provisions Officer code of conduct Enforcement Policy
	<ul style="list-style-type: none"> Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes 	Monitoring Officer provisions Job description / specification Member / Officer protocols Forward decision list
5. Developing the capacity and capability of Members to be effective and ensuring that officers – including the statutory officers – also have the capability and capacity to deliver effectively		
5.1 Making sure that Members and officers have the	<ul style="list-style-type: none"> Provide induction programmes tailored to individual needs and opportunities for members and 	Training and development plan – Members and Officers

Principles	Requirements	Evidence
skills, knowledge, experience and resources they need to perform well in their roles	officers to upgrade their knowledge on a regular basis	
	<ul style="list-style-type: none"> Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority 	Job description / person specifications Workforce Learning and Development plan
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	<ul style="list-style-type: none"> Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively 	Training & development programmes – Members and Officers Performance Management Framework
	<ul style="list-style-type: none"> Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed 	Continuing Professional Development (CPD)
	<ul style="list-style-type: none"> Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs 	Cabinet Scrutiny Committee Monitoring of members' attendance at Panels
5.3 Encouraging new talent for membership of the Council so that best use can be made of resources in balancing continuity and renewal	<ul style="list-style-type: none"> Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority 	Information on website
	<ul style="list-style-type: none"> Ensure that career structures are in place for members and officers to encourage participation and development 	Workforce Learning and Development plan
6. Engaging with local people and other stakeholders to ensure robust local public accountability		
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders including	<ul style="list-style-type: none"> Make clear to themselves, all staff and the community to whom they are accountable and for what 	Code of Corporate Governance Corporate Business Plan Scrutiny Panels Media releases
	<ul style="list-style-type: none"> Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and 	WN Partnership provides mechanism for strengthening links with key stakeholders

Principles	Requirements	Evidence
partnerships, and develops constructive accountability relationships	<p>any changes required</p> <ul style="list-style-type: none"> Produce an annual report on the activity of the scrutiny function 	Regular Reports from the Chairs of the Panels
6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery	<ul style="list-style-type: none"> Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure they operate effectively 	Broadcasting Task Group Website Customer Information Centre Community Information Points Press releases Social Media ICT – Email policy ICT – Internet policy ICT – Security policy
	<ul style="list-style-type: none"> Hold meetings in public unless there are good reasons for confidentiality 	Constitution Agendas and minutes Safer Neighbourhood Action Panels (SNAP)
	<ul style="list-style-type: none"> Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands 	Equalities Policy Customer survey results Customer comment form Safer Neighbourhood Action Panels (SNAP) Equality Act 2010 requirements
	<ul style="list-style-type: none"> Meaningfully consult on or engage with the public and service users on a range of relevant issues, including feedback mechanisms for those consultees to demonstrate what has changed as a result 	Equality Impact Assessments Local Development Framework – Statement of Community Involvement
	<ul style="list-style-type: none"> On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial settlements as well as information about its outcomes, achievements and the satisfaction of services users in the previous period 	Annual financial statements Corporate Business Plan Corporate Monitoring Report Media releases
	<ul style="list-style-type: none"> Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a 	Constitution Corporate Business Plan Minutes of meetings

Principles	Requirements	Evidence
	<p>commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</p>	<p>FOI Publication Scheme Transparency and Open Data pages Media releases FOI guidance notes/obligations FOI guidance – staff FOI / EIR regulations</p>
<p>6.3 Making best use of resources by taking an active and planned approach to meet responsibility to staff.</p>	<ul style="list-style-type: none"> Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making 	<p>Internal consultation and engagement Internal communications channels Senior MT/Union meetings</p>

APPENDIX B: ACTION PLAN FOR THE 2015/16 YEAR

	Issue	Action	Responsible Officer	Target Date
1	Risk Management	Review and update the Council's Risk Management Strategy to ensure risk identification and management is embedded into the daily operations of the Council	Chief Executive/ Assistant Director	March 2016
2	Financial Procedures	Review and update the Council's Financial Regulations and Contract Standing Orders to reflect changes in legislation and current best practice	Assistant Director	July 2015
3	Leisure Trust and Local Authority Company – governance arrangements	Ensure that the governance arrangements in place for the new arrangements, particularly with regards to reports to Council panels, are adhered to	Executive Director, Commercial Services	March 2016
4	Requirements of the Baseline Personnel Security Standards (BPSS) for the Public Services Network	Continue to comply with the requirements of the BPSS and any further updates in the application of the standard	Executive Director, Central and Community Services	March 2016
5	Public Services Network (PSN) compliance	i) Ensure PSN compliance during 2015/16 including progressing any actions identified as a result of the 2015 audit ii) Roll out 2 factor authentication for Councillors	Executive Director, Central and Community Services	March 2016 July 2015
6	Payment Card Industry (PCI) compliance	i) Respond to issues identified during the 2015 PCI audit ii) Investigate and implement an upgrade to the current cash receipting system to ensure ongoing compliance	Executive Director, Central and Community Services	March 2016 March 2016
7	Transparency	Produce an annual action plan for refreshing published transparency data	Executive Director, Central and Community Services	March 2016
8	Corporate Projects	Ensure that progress on the work of the corporate project groups is regularly reported to Management Team and Extended Management Team	Chief Executive	March 2016