

## **Huntingdonshire District Council**

### **Local Code of Corporate Governance as at 30 September 2017**

The Council is committed to ensuring good governance principles and management practices are adopted in all its business activities.

The Council revised its Code of Corporate Governance (Code) in July 2016 to take account of the 2016 CIPFA/SOLACE<sup>1</sup> proper practice framework "*Delivering Good Governance in Local Government*". The Code is a key document that supports the preparation of the Council's statutory Annual Governance Statement (AGS)

The Code has seven Principles.

#### **Acting in the public interest requires a commitment to and effective arrangements for:**

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.

#### **In addition, achieving good governance also requires effective arrangements for:**

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the Council's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The seven Principles are delivered via the Council's governance framework – which details the behaviours and actions that demonstrate governance in practice – and which are set out over the following pages though a number of 'we will' statements.

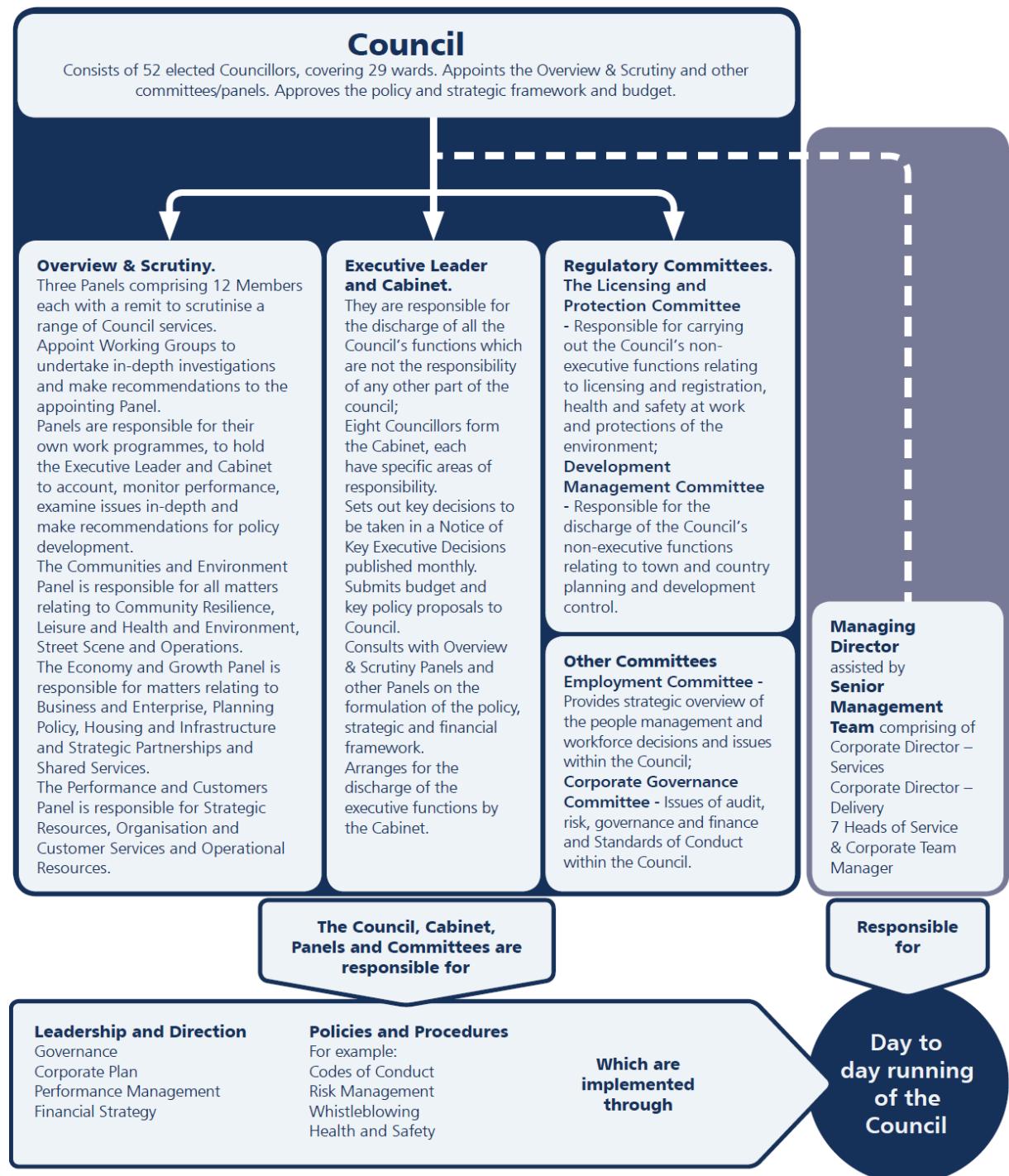
Comments on how the Council is delivering the 'we will' statements has also been included. A number of the comments apply to more than one Principle. To avoid repetition, comments have only been included once. At the end of the Code, a schedule of key documents has been included.

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<sup>1</sup> CIPFA is the Chartered Institute for Public Finance Accountancy and SOLACE is the Society of Local Authority Chief Executives.

The Council recognises that it is important that the framework is applied in such a way that it demonstrates both the spirit and ethos of good governance. This cannot be achieved by the implementation of policies and procedures alone but also requires the culture of the Council and its core values to be reflective of the hallmarks of good governance.

## The Council: How it works



## **Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

### **We will behave with integrity, by:**

Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation

Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).

Leading by example and using these standard operating principles or values as a framework for decision making and other actions.

Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

### **We will demonstrate a strong commitment to ethical values, by:**

Seeking to establish, monitor and maintain the organisation's ethical standards and performance.

Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.

Underpinning behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.

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

### **We will respect the rule of law, by:**

Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.

Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.

Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements

Dealing with breaches of legal and regulatory provisions effectively.

Ensuring corruption and misuse of power are dealt with effectively.

**Commentary :** *The Council is accountable not only for how much it spends but also for the way it uses the resources which have been entrusted to it. We also have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.*

The Leader of the Council requires all Members and Officers to always behave professionally and with integrity. Expectations of standards and behaviour are contained in the Codes of Conduct for both Officers and [Members](#). These are both based around the seven Nolan

## **Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

All employees are required to confirm annually that they have read and understood the Code of Conduct. A number of registers are maintained (e.g. gifts and hospitality, staff interests in contracts) that employees are required to complete. These are available on the Council's intranet pages. The Deputy Monitoring Officer (DMO) maintains the registers, for both employees and Members. Reminders are issued to staff to keep them aware of the need to inform the DMO of any interests they may have.

The Code of Conduct for Members clearly sets out the standards of personal behaviour expected. The Council has given its Corporate Governance Committee the authority to investigate any breaches and decide what action should be taken against any Member who has been found to be in breach of the Code. The Council's website also contains information on how to make a complaint about the [conduct of a Member](#), or the delivery of any aspect of the [Council's services](#). The Corporate Governance Committee receive an [annual report](#) on complaints received.

At the start of all Council and Committee meetings, Members are asked to declare any pecuniary or other interests they may have that relate to the items that are to be discussed. It is usual practice for Members who have declared a disclosable pecuniary interest in an item to leave the meeting whilst that item is being discussed. All interests disclosed are recorded in the minutes of the meeting.

A cross-party Constitution Review Advisory Group was set-up to support the Monitoring Officer in undertaking a review of the Constitution, which was approved by the Council in March 2016. No changes have been made to the [Constitution](#) since with the exception of minor amendments to the Code of Procurement as recommended by the Corporate Governance Committee.

The Code of Financial Management and Code of Procurement contain the rules that employees are required to follow with regard to budgeting, other financial matters and the purchasing of goods and services. Monitoring of adherence to the Codes is performed by a number of staff, including Accountants, Internal Audit and the Procurement Manager and through regular budget monitoring reports to Members.

The Constitution also contains a number of other Codes and Protocols that govern the conduct of Members – these are the Member Code of Conduct, disclosable and non-disclosable interests, complaints process and codes of good practice for both planning and licensing. There are also protocols that deal with Member/Officer working and the roles and responsibilities of the Executive Leaders of the Council and the Head of Paid Service.

The Managing Director is the Council's [Head of Paid Service](#) and she is responsible for how the Council operates. She is assisted by both the Corporate Management Team (which comprises the Managing Director and two Corporate Directors) and the Senior Management Team (which is made up of seven Heads of Service and the Corporate Team Manager).

The Council is required to appoint a Monitoring Officer, whose role includes ensuring that decision making is lawful and fair. Cambridge City Council's Head of Legal Practice (via the Legal shared service arrangement) holds this position. The Monitoring Officer has the right to access all meetings and documents. The Monitoring Officer also has a number of statutory

## **Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

responsibilities, amongst them the duty to report to the Council if any proposal, decision or omission may give rise to the contravention of any act or law.

The Council has also appointed the Head of Resources to be the Responsible Financial Officer. The Head of Resources is a CIPFA qualified accountant and a member of the Senior Management Team. He is responsible for delivering and overseeing the financial management arrangements of the Council. The role conforms with the good practice requirements within the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The Council uses its legal powers, including the 'general power of competence' to promote its values and priorities. The Council, whilst having full regard to the extent of its powers to benefit communities, does not act beyond them.

Professional advice is taken on matters that have legal or financial implications as part of the decision making process and this advice, irrespective of its nature, is contained in reports considered by Members.

Employees are appraised annually. This includes an assessment of their compliance with the key competencies relevant to their job and the Employees Code of Conduct. New employee welcome/induction events are held on a quarterly basis and led by the Managing Director or a Corporate Director. All new employees are required to attend. During the event, employees are told what is expected of them and the high standard of behaviour they are required to exhibit.

New Councillors are also required to attend an induction event.

To support both its employees or any of its suppliers who wish to raise a concern about inappropriate actions or behaviours, the Council has a [whistleblowing policy](#). Those who raise genuine concerns are protected from recrimination and supported. The Council is a signatory to Public Concern at Works (PCaW) First 100 campaign and the whistleblowing policy follows PCaW best practice guidance.

The Council has approved an [Anti-Fraud and Corruption Strategy](#) and maintains a Counter Fraud Team (CFT) that proactively searches for frauds that may be being committed against the Council. The [CFT annual report](#) to the Corporate Governance Committee includes information on their performance and sets out priorities for the forthcoming year.

The CFT were instrumental in introducing [TrustID](#), identity checking and verification software into the Council during 2016/17. Potential service users have original identification documents scanned and checked prior to be allowed to access certain services. During 2017/18 it is planned to introduce the same checks on all prospective employees.

## Principle 2: Ensuring openness and comprehensive stakeholder engagement

### We will be open, by:

Demonstrating, documenting and communicating a commitment to openness.

Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential shall be provided.

Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear

### We will engage with institutional stakeholders, individual citizens and service users effectively, by:

Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.

Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.

Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.

Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.

Ensuring that partnerships are based on:  
– trust  
– a shared commitment to change  
– a culture that promotes and accepts challenge among partners;  
and that the added value of partnership working is explicit.

Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.

Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.

Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.

Taking account of the interests of future generations of tax payers and service users.

**Commentary:** *The Council is run for the public good and it is important that we are open about our activities and have clear channels of communication and engagement with all stakeholders. We must demonstrate that we act in the public interest at all times to maintain trust and confidence. We should demonstrate clear reasoning in our decision making and ensure that this is formally recorded and available for public scrutiny.*

## **Principle 2: Ensuring openness and comprehensive stakeholder engagement**

The Council's priority outcomes are contained within the [Corporate Plan](#) which is available on its website. As is the [Annual Report](#) and [Annual Governance Statement](#), which details significant governance improvements that are required and progress that has been in delivering improvements identified in previous years.

The Council makes all efforts to ensure that its decision making processes adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

[Meeting agendas and reports](#) are published on the website unless there is a need to preserve confidentiality and the current requirements of Schedule 12A of the Local Government Act 1972 are met. Committee meetings are open to the public for all but exempt items. Minutes of all [public meetings and decisions](#) taken are available via the website. Whilst meeting minutes are not verbatim records, they do capture questions and responses and any professional advice that may be given.

The Council ensures that its most significant decisions (known as '[key decisions](#)') are recorded and information relating to them, subject to limited exemptions, is made available through the website. A forward plan of reports that will give rise to key decisions is available on the website.

A [calendar of meeting](#) dates is available on the website.

Whilst the Council does not broadcast its meetings, it does support the principle of transparency and permits the [filming](#), recording and the taking of photographs in meetings that are open to the public. It also welcomes the use of social networking websites (such as Twitter) to allow 'live' communication with people whilst meetings are ongoing. The public are able to put questions and comments to Members about planning applications when they are being considered at the Development Management Committee.

The Council has three Overview & Scrutiny Panels that scrutinise both the Council's business and also developments across the District that have wide ranging implications for its residents (e.g. Hinchingbrooke and Peterborough Hospitals merger).

The Council has a formal [Consultation and Engagement Strategy](#). This ensures we have a consistent approach to the way that we consult and engage with residents and other stakeholders. Supporting the Strategy are guidance documents that explain to employees how to undertake effective consultations and how to engage with hard to reach groups. All current consultations are listed on the [Consultations](#) webpage, providing direct links to the relevant consultation documents, further information and surveys etc. Consultation activities are planned to coincide with business developments.

An Internal and External Communications Strategy is in place, which sets out how the Council will inform and engage with its Members, employees, residents and other stakeholders.

The Council publishes a lot of information on its [website](#). The site was awarded four stars by SoCITM<sup>2</sup> from its 2017 Better Connected survey – which reviewed the Council's websites ability to provide quick and easy 'customer journeys' and successful resolution of a series of top tasks.

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<sup>2</sup> Society of Information Technology Managers

## **Principle 2: Ensuring openness and comprehensive stakeholder engagement**

The Council publishes on its website the data required by the Local Government Transparency Code 2015. Data sets that are frequently requested via the Freedom of Information process are also published. We have also adopted a [publication scheme](#) that sets out what information we publish without a formal request having to be made under the Freedom of Information Act.

The Council is committed to considering and acting upon feedback from its residents and service users. It has a formal [complaints and feedback](#) process so that it can respond to complaints and identify where improvements in service delivery are needed and learn from the complaints it has received.

An internal audit review of the customer feedback process was undertaken during 2016/17. It concluded that overly bureaucratic and time consuming systems were in place to handle customer complaints and a fundamental review of the complaints handling procedure should be completed. This was agreed and work is currently underway to improve the process. This issue has been included in the 2016/17 annual governance statement as an improvement area.

### **Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits**

#### **We will define outcomes by:**

Having a clear vision (an agreed formal statement) of the Council's purpose and intended outcomes, containing appropriate performance indicators, which provides the basis for our overall strategy, planning and other decisions.

Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer

Delivering defined outcomes on a sustainable basis within the resources that will be available.

Identifying and managing risks to the achievement of outcomes.

Managing service user's expectations effectively with regard to determining priorities and making the best use of the resources available.

#### **We will provide sustainable economic, social and environmental benefits, by:**

Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.

Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.

Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.

Ensuring fair access to services.

**Commentary:** *The Council has prepared and published a Corporate Plan and a medium term financial strategy which is a financial representation of the Council's vision and supports its priorities.*

The Council's priority outcomes are contained within the [Corporate Plan](#) which is available on its website. The Council's vision is to

**Improve the quality of life, deliver economic growth and provide value for money services for the people of Huntingdonshire.**

There are a number of supporting priorities and ambitions to ensure efforts remain focused on the vision amongst which the ambition to reduce the Council's reliance on Central Government Funding and is so doing create a sustainable financial platform.

The Corporate Plan drives the Council's budget and service planning process, ensuring that resources are allocated to deliver and develop the Plan and associated targets in the most effective and efficient way.

### **Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Council sets an annual budget and prepares a medium-term financial strategy which details financial assumptions made and outlines capital spending commitments. Between preparing the draft budget and the approval of the final budget, over 1500 businesses and voluntary sector organisations are consulted and ask for their views on service priorities and Council Tax levels. For the 2017/18 budget consultation only 22 responses were received.

All Services have their own service plans and suite of performance measures that detail how they intend to enable delivery of the Corporate Plan.

The Council's performance management framework sets out the corporate and budget planning cycle. The Senior Management Team and Cabinet receive monitoring reports at regular intervals that show the progress that has been made against the Corporate Plan targets and if necessary, the action to be taken to improve performance. The Corporate Directors regularly review service plan targets and achievements.

The Council maintains a [risk register](#) – both at a Corporate and Operational level. The risk management strategy is reviewed annually by the Cabinet and requires the Corporate Management Team to review and challenge corporate risk register entries at least once every three months. The Senior Management Team undertake a similar review in respect of operational risks. Service plans include references to risk register entries.

Major regeneration projects are being developed across the District and the Council is represented on both the Cambridgeshire and Peterborough [Combined Authority](#) and the [Greater Cambridgeshire Greater Peterborough Enterprise Partnership](#) (LEP) and maintains relationships with the leaders of other organisations. These relationships have proved very beneficial, for example the developers of [Alconbury Weald](#) (who are delivering over 3m<sup>2</sup> of commercial space and 5000 homes) commissioned the Council to operate the gym facility they built for residents.

The Council has developed a stand-alone economic development website – [Invest in Huntingdonshire](#) – that details the opportunities available to businesses who may be looking to relocate into the Cambridgeshire or surrounding areas.

The Council committed to providing equality in its policy-making, service delivery and employment. [Further details](#) are available on the website.

## **Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes**

### **We will determine when interventions are required by:**

Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.

Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

### **We will plan interventions by:**

Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.

Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.

Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.

Ensuring capacity exists to generate the information required to review service quality regularly.

Considering and monitoring risks facing each partner when working collaboratively including shared risks.

Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.

Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.

Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

### **We will optimise the achievement of intended outcomes by:**

Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.

Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.

Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.

Ensuring the achievement of 'social value' through service planning and commissioning.

#### **Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes**

**Commentary:** *The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions that focus on delivering effective and efficient services to residents and its business community. Performance, audit, risk and financial reporting are used to identify areas of concern and plan for interventions.*

A [strategic resources plan](#) covering the period 2017/18 to 2020/21 has been approved that highlights efficiency initiatives that are being developed over and above those included in the medium term financial strategy.

An agenda plan is maintained that lists reports that are due to be presented to the various Council Committees etc. over the next six months. This [forward business](#) planning ensures that reports on both strategic and operational matters are not overlooked.

The Council has an internal report review and clearance process to ensure that all reports published are an accurate reflection of the matter being discussed, have objective and rigorous analysis of options and show no bias, setting out as appropriate the relevant financial, legal or risk impacts.

If reports identify the need for intervention, the effectiveness of the intervention is monitored through regular update reports and the quarterly budget and performance reporting process.

The Council [procures](#) goods and services in compliance with EU, UK and Council regulations and ensure that value for money is obtained through considering the social, economic and environmental impacts that can be derived from procurement spend. The Council has had limited opportunities to embrace the 'social value' concept as only one or two contracts each year exceed the EU threshold at which the Social Value Act 2012 applies.

## **Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

### **We will develop the Council's capacity by:**

Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.

Improve resource use through the application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.

Recognising the benefits of partnerships and collaborative working where added value can be achieved.

Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

### **We will develop the capability of the Council's leadership and other individuals by:**

Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.

Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.

Ensuring that there are structures in place to encourage public participation

Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections

Holding staff to account through regular performance reviews which take account of training or development needs.

Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.

Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by ensuing:

members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.

members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.

personal, organisational and system-wide development through shared learning, including lessons learnt from governance weakness both internal and external.

## **Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

**Commentary:** *The Council has developed a management structure that provides corporate leadership and creates the opportunity for staff to work effectively and efficiently in order to achieve its objectives. Training and support is provided to enable staff to develop their skills so that they can achieve their full potential.*

The Council aims to be financial self-sufficient by 2020/21. It has published a four year [efficiency plan](#) that contains three main efficiency strands – income generation, increasing Council Tax and the commercial investment strategy.

Zero based budgeting reviews have been completed across all services during 2014/15 and 2015/16 to give the Council a more robust and confident approach to budget setting.

Looking to develop capacity and deliver better outcomes whilst not increasing its cost base, the Council has been actively pursuing shared service initiatives. To date the Council has established shared service arrangements in respect of Disabled Facilities Grant Assessment and Administration, CCTV, Legal, Building Control and Information and Communication Technology (ICT). These collaborative arrangements have primarily been with two local strategic partners, Cambridge City Council and South Cambridgeshire District Councils with some two way and some three way. The latter three services are managed under a Joint Committee arrangement under the “3C’s” shared services brand.

Staff have been TUPE’d between the 3C Council’s to allow the lead authority for the shared service to take full responsibility for staffing matters – pay, staff development etc. The Council is the lead for the ICT shared service.

The Council contracted out its Human Resources and Payroll functions in 2012. After considering the benefits of continuing with that arrangement or another, the decision was taken to bring the service back in-house from April 2017.

The Executive Leader of the Council and the Managing Director have clearly defined roles which are set out in the Protocol for the Relationship between the Executive Leader of the Council and the Head of Paid Service. A copy of the Protocol is included in Part 5 of the [Constitution](#).

The Constitution also sets out in Part 3, the responsibility for functions – those that are reserved to the Council, Cabinet or a Committee and those that are delegated to Officers. The scheme of delegations is reviewed on a regular basis and the Monitoring Officer has the delegated power to ensure the Constitution reflects current law and the decisions of the Council.

So that elected Members and Officers have a shared understanding of their respective roles the Council has a Member/Officer Protocol. This is also included in the Constitution.

The Corporate Governance Committee undertake regular [self-assessment](#) effectiveness reviews to identify opportunities for improvement – both in the way the Committee is organised and delivers its terms of reference and to identify development needs. The last review was conducted in January 2017.

## **Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

Regular training opportunities are offered to Elected Members in order to allow them to fulfil their roles and responsibilities. During 2016/17 over 20 training events have been organised.

The Council is an [equal opportunity](#) employer.

Each Head of Service monitors on an ongoing basis their staffing structures to ensure they are able to deliver Service Plan aims and objectives. When posts become vacant, automatic recruitment does not take place, rather Heads of Service have to justify why recruitment is essential to Senior Management Team colleagues prior to recruitment taking place.

In certain circumstances, rather than recruit directly into a vacant post, staff secondment opportunities will be offered. All the staff within the transformation team are currently on secondment from their substantive posts.

So that employees are aware of how their work directly affects the delivery of both Corporate Plan and Service plan targets, a 'golden thread' has been established that links individual employee performance targets to service plans, which in turn link back to the Corporate Plan. Managers hold regular 1:1 meetings with their staff at which performance, development/training and any other support they need to succeed in their role is discussed.

The Council has a formal staff appraisal process in place, at which performance against targets and demonstration of core competencies is formally monitored and recorded. The Managing Director is appraised by the Executive Leader.

The Managing Director and Corporate Directors hold regular meetings with Staff Council representatives as part of the consultation process with regard to terms and conditions of employment and the policies staff are subject to. An annual staff survey is issued to allow the Council to understand its staff's views on employment, cultural and leadership issues.

The Council has made a range of [services](#) available to its staff, so that they can maintain physical and mental health and wellbeing.

## **Principle 6: Managing risks and performance through robust internal control and strong public financial management**

### **We will manage risk by:**

Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.

Ensuring that responsibilities for managing individual risks are clearly allocated.

Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.

### **We will manage performance by:**

Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.

Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.

Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible.

Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.

### **We will have robust internal control by:**

Aligning the risk management strategy and policies on internal control with achieving the objectives.

Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:

Evaluating and monitoring the authority's risk management and internal control on a regular basis.

Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.

Ensuring effective counter fraud and anti-corruption arrangements are in place.

That its recommendations are listened to and acted upon.

Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.

## **Principle 6: Managing risks and performance through robust internal control and strong public financial management**

### **We will manage data by:**

Ensuring effective arrangements are in place for the safe collection, storage, and use and sharing of data, including processes to safeguard personal data.

Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.

### **We will have strong public financial management**

Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.

Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

**Commentary:** *The Council recognises that it needs to have in place an effective performance management system that will allow for the effective and efficient delivery of services. Crucial to the achievement of Corporate Plan outcomes are good systems of risk management, internal control and financial management and an effective scrutiny function that constructively challenges policy making.*

The Council first introduced a [risk management](#) strategy in 2003. It is reviewed annually by the Cabinet to ensure it meets the needs of the Council and is reflective of its approach to risk management. All Managers take account of the strategy when making decisions.

The Council maintains a [risk register](#) – both at a Corporate and Operational level. All risk are owned by a manager who is responsible for providing assurance that the controls introduced to manage risk are working effectively. Risks that exceed their risk appetite target are subject to further review by the Senior Management Team with Cabinet being advised of those risks that can't be mitigated further within the resources available. The Cabinet formally consider the [corporate risk register](#) on an annual basis.

One of the risks on the risk register is concerned with the effectiveness of the safeguarding procedures that are in place across the Council. An internal audit review of the safeguarding process was undertaken during 2016/17. It concluded that the safeguarding procedures being followed were not as effective as they could be – there was an ad-hoc approach across Services to the assessment of safeguarding risks, piecemeal training and a lack of evidence that consistent checks on employees suitability for employment are carried out. Concerns are such that improving safeguarding arrangements has been included in the 2016/17 annual governance statement as an improvement area.

Performance information has to be relevant, objective and reliable if it is to be used to inform decision making. All Services have their own service plans and suite of performance measures that detail how they intend to enable delivery of the

## **Principle 6: Managing risks and performance through robust internal control and strong public financial management**

Corporate Plan. The most important measures are reported to Members on a quarterly basis. Heads of Service are responsible for maintaining data quality templates that detail how the performance measures are calculated and re-performance checks are undertaken by internal audit to ensure performance data is being accurately reported.

The Council's performance management framework sets out the corporate and budget planning cycle. The Senior Management Team, Overview & Scrutiny and Cabinet receive monitoring reports at regular intervals that show the progress that has been made against the Corporate Plan targets and if necessary, the action to be taken to improve performance. At a service level, the Corporate Directors monitor the achievement of targets on a quarterly basis and will agree appropriate actions with the relevant Head of Service if targets are not being met.

The Council has introduced three Overview & Scrutiny Panels – each of which is responsible for overseeing one of the three Corporate Plan objectives.

[Overview and Scrutiny Panel \(Communities and Environment\)](#)

[Overview and Scrutiny Panel \(Economy and Growth\)](#)

[Overview and Scrutiny Panel \(Performance and Customers\)](#)

The terms of reference for each Panel are included in the Constitution.

Scrutiny applies to the setting of policy, objectives and budgets as well as service delivery and performance issues. Reports to the three Panels are introduced by the relevant Cabinet portfolio holder. The written comments of the Panels are considered and evaluated by the Cabinet before they make their formal decision and recommendation.

Reports showing the progress made with work plan studies and previously agreed actions is received by each Scrutiny Panel on a regular basis.

The Council has an [anti-fraud and corruption strategy](#) and a [whistleblowing](#) policy. The Corporate Fraud Team maintain an annual work plan which targets known and long standing areas of fraud but which also focuses on new work areas. In light of this, and coupled with other countermeasures in place, the Head of Customer Services decided in April 2017 that a review of the teams compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption was not required.

The Council maintains an Internal Audit Service. It is independent of management and free to audit whatever risks, systems or procedures it believes are necessary. The implementation of agreed internal audit actions is reported on a monthly basis to the Corporate Governance Committee and the Senior Management Team.

The Corporate Governance Committee regularly undertakes an [effectiveness](#) self-assessment and formally agrees an improvement plan. The Committee also provides an annual report to the Council on its work, highlighting any governance or internal control concerns.

The Council has in place a range of data protection policies and procedures – including records management, data quality and information security. An Information Governance Board was established in April 2017 with the remit to support improvements to information management, information security, and compliance with

## **Principle 6: Managing risks and performance through robust internal control and strong public financial management**

information rights legislation. Representatives from all Service departments attend Board meetings as does the Senior Information Risk Officer.

Personal data is processed in accordance with the Data Protection Act 1998. (SIRO).

The Council is committed to sharing appropriate data safely with other agencies; where this improves effective and efficient service delivery, supports its objectives and the vision for the city and is compatible with the rights of individuals.

The Council shares information it holds with various organisations. All the Council's within Cambridgeshire are signatories to the [Cambridgeshire Information Sharing Framework](#). The framework sets out the principles and practices that govern the sharing of both personal and non-personal information between the framework partners.

Data is published on the Council's website in accordance with the [Local Government Transparency Code](#) 2015.

The Responsible Financial Officer (the Head of Resources) is responsible for ensuring that proper financial records and accounts are being maintained and the Council has in place an effective system of internal financial control. A replacement financial management system is being purchased in conjunction with the Council's 3C partners. The system was to have been operational from April 2017 but for various reasons this date was not achieved. Further revised dates have been agreed and it is currently expected that the new system will 'go live' in December 2017. The failure to implement the new system is of concern and whilst budgeted resources are available to meet the December 2017 date, the continued delays are affecting the Council's ability to modernise its budgeting and forecasting processes. This issue has been included in the 2016/17 annual governance statement as an improvement area.

## **Principle 7: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

**We will implement good practices in transparency by:**

Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.

Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

**We will implement good practices in reporting by:**

Reporting at least annually on performance, value for money and the stewardship of its resources.

Ensuring that this Code is applied to jointly managed or shared service organisations as appropriate.

Ensuring members and senior management own the results.

Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

Robustly assessing the extent to which the principles contained in this Code have been applied and publishing the results on this assessment including an action plan for improvement in an annual governance statement.

**We will provide assurance and effective accountability by:**

Ensuring that recommendations for corrective action made by external audit are acted upon.

Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.

Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.

Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.

Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

**Commentary:** The Council recognises that effective accountability is concerned not only with reporting on actions completed but ensuring stakeholders are able to understand how the Council plans for and carries out its activities.

Committee reports follow a standard template which is designed to ensure that key messages are explained in an open and understandable way and to reduce the risks of any breaches of legislation or reputational damage. Every effort is made to ensure that the publication of information strikes a balance between satisfying transparency demands and not becoming too onerous to understand. All Committee reports include an executive summary highlighting key messages and clear recommendations.

## **Principle 7: Implementing good practices in transparency, reporting and audit to delivery effective accountability**

All Committee reports are reviewed by at least one member of the Senior Management Team before being published within Committee agenda papers.

The Council has a social media presence on both [Facebook](#) and [Twitter](#) and receives both compliments and complaints via these channels as well as using them to update followers of meetings and events etc.

The Council publishes an [annual report](#) on its website that sets out what it has achieved. Performance information reports have also been published on the [website](#) on a quarterly basis since March 2015. The reports show progress against the key actions and corporate indicators listed in the Corporate Plan as well as updates on current projects and financial performance.

The Council has to conduct at least annually, a review of the effectiveness of its governance framework including its system of internal control and document the findings in an [Annual Governance Statement](#). In preparing that Statement, a review of the Council's adherence to the requirements of this Code is undertaken. Evidence relating to the Code principles is considered to assess the robustness of the governance arrangements. The Statement aims to explain in a simple and easily understandable way the matters that have been taken into account in considering overall effectiveness, any areas for improvement identified (and associated action plans) and provides an update on the progress made with [improvement areas](#) contained in the previous year's Statement.

The annual [financial report](#) and statement of accounts is published on the website once it has been audited by the external auditors, Ernest & Young LLP and approved by the Corporate Governance Committee. The external auditors also present a report to the Committee that sets out their findings and any recommendations for improvement arising from their audit of the annual report and statement of accounts. The Head of Resources reports back to the Committee on the action taken to address the external auditors recommendations.

The external auditors also review the Annual Governance Statement before it is presented to the Corporate Governance Committee.

The Council has approved a [governance structure](#) for the 3C shared service initiative. It has established a Joint Committee, to which the Executive Leader of the Council has been appointed.

The Internal Audit Service was subject to an external assessment in 2014. The Internal Audit Manager has used the Public Sector Internal Audit Standards as the basis of annual self-assessments since then, with the results of the assessments being reported to the Corporate Governance Committee. An annual internal audit report and opinion is presented to the Committee. The report contains details of significant issues that have been identified from internal audit work.

The Council welcomes peer challenge and inspections from regulatory bodies. A peer review challenge was conducted by the Local Government Association in 2016. The review team in considering how the Council was meeting the challenges of community leadership, organisational leadership and governance and financial planning and viability found many areas of strength. The team made 12

**Principle 7: Implementing good practices in transparency, reporting and audit to delivery effective accountability**

recommendations to further improve performance which were developed into a 31 point [action plan](#). As at July 2017, all but three of the 31 actions have been introduced. The peer review team's [full report](#) is available on the website.

## Key Documents

	Principle	1	2	3	4	5	6	7
<b>Key documents</b>								
<b><u>Constitution:</u></b>		✓	✓				✓	
Code of Financial Management		✓					✓	
Code of Procurement		✓		✓			✓	
<b><u>Member Code of Conduct</u></b>		✓						
Scheme of delegation			✓				✓	✓
Executive Leader/Managing Director Protocol		✓					✓	
Member/Officer Protocol		✓					✓	
Statutory Officer roles		✓					✓	
<b>Strategies &amp; Policies:</b>					✓	✓		✓
<b><u>Risk Management Strategy</u></b>					✓	✓		✓
<b><u>Customer Complaints</u></b>		✓	✓					
Procurement toolkit						✓		
Business continuity plans							✓	
<b><u>Anti-fraud &amp; corruption policy</u></b>		✓					✓	
<b><u>Whistleblowing policy</u></b>		✓					✓	
ICT policies		✓					✓	
<b><u>Social media</u></b>			✓					✓
Information sharing							✓	
<b><u>Consultation &amp; Engagement Strategy</u></b>		✓	✓	✓				
<b><u>Consultation process</u></b>		✓	✓					
<b><u>Equality of Opportunity</u></b>						✓		
Document retention								✓
<b><u>Modern.gov :</u></b>								
Committee meeting information		✓	✓					
Committee reports			✓	✓	✓			
Corporate Governance Committee		✓				✓	✓	✓
Overview & Scrutiny Panels			✓			✓	✓	✓
<b>Staff:</b>							✓	
Workforce strategy							✓	
Job evaluation		✓						
HR policies		✓					✓	
Employee Code of Conduct		✓						
Staff appraisal system			✓				✓	
Staff surveys							✓	
<b>Members:</b>								
Member development		✓				✓		
Member induction		✓				✓		
<b>Performance:</b>								
<b><u>Corporate Plan</u></b>		✓	✓				✓	
Service plans		✓	✓				✓	
<b><u>Annual report</u></b>		✓						✓
<b><u>Performance management framework</u></b>			✓	✓			✓	✓
<b><u>www.huntingdonshire.gov.uk</u></b>		✓						✓
Reporting on complaints								✓
Risk registers			✓	✓			✓	

## Key Documents

Key documents	Principle	1	2	3	4	5	6	7
<b>Financial:</b>	Budget consultation		✓					
	<a href="#">4 year efficiency plan</a>	✓	✓	✓	✓			
	<a href="#">Annual Statement of Accounts</a>	✓						✓
	<a href="#">Budget &amp; Medium Term Financial Strategy</a>		✓	✓			✓	
	<a href="#">Treasury Management Strategy</a>		✓				✓	
	<a href="#">Commercial Investment Strategy</a>		✓				✓	
	CIPFA Statement on the role of the CFO	✓						
<b>Regulation:</b>	<a href="#">Publication scheme</a>		✓					✓
	<a href="#">Freedom of Info/Environmental Information</a>		✓					
	<a href="#">Open data</a>		✓				✓	✓
	<a href="#">Data Protection</a>	✓						
<b>Assurance:</b>	<a href="#">Peer challenge</a> /external inspections					✓		✓
	<a href="#">External audit of accounts</a> & value for money opinion							✓
	<a href="#">Annual Governance Statement</a>	✓						✓
	<a href="#">Internal audit – annual opinion</a>					✓		✓

### Principle

- 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- 2 Ensuring openness and comprehensive stakeholder engagement.
- 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- 5 Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- 6 Managing risks and performance through robust internal control and strong public financial management.
- 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.