INTERNAL AUDIT REPORT ON CORPORATE GOVERNANCE ARRANGEMENTS 2007/08

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Summary: This report evaluates compliance in 2007/08 with the Delivering Good Governance in Local Government Framework, summarises progress with corporate governance arrangements since the previous year and details the outstanding issues.

Recommendation: That Members note the report and its contribution to the annual Governance Statement.

1.   INTRODUCTION

1.1   The Good Governance Standard for Public Services was adopted by Full Council on 28 July 2005. Internal Audit has the role of carrying out an independent review and reporting to Members annually, to provide assurance on the adequacy and effectiveness of corporate governance arrangements and the extent of compliance with the adopted Standard. In 2007/08, CIPFA/SOLACE published updated guidance to make the original Standard directly relevant to Local Government. The audit report identifies the new requirements.

2.   INTERNAL AUDIT REPORT

2.1   The internal audit report is attached at Appendix 1.

3.   CONCLUSIONS

3.1   The Council's arrangements for Corporate Governance are largely in line with the best practice guidance.

3.2   The arrangements were generally effective and being complied with. A significant number of items have been progressed since the previous year and progress on the three outstanding issues is being monitored on a quarterly basis. Seven new actions have been identified and are included in the action plan.

List of Appendices
Appendix 1 – Internal Audit report 2007/08 on Compliance with the Good Governance Framework
Appendix A – Internal Audit report Appendix A – Detailed Framework and Compliance
Appendix B – Internal Audit report Appendix B – Action Plan
Appendix C - Internal Audit report Appendix C – Example of a Code of Corporate Governance
List of Background Documents: None

Officers Consulted: Corporate Team

COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK IN 2007/08

COPELAND BOROUGH COUNCIL - AUDIT SERVICES REPORT

1.0 **INTRODUCTION**

1.1 The Council adopted the Good Governance Standard for Public Services on 28 July 2005. The Standard provided a national framework for assessing good governance practice. Full Council, as the governing body, had overall responsibility for implementing the Standard and approved an action plan to improve compliance with the requirements of the Standard. Corporate Team has monitored the operation of the Standard, ensuring appropriate arrangements were in place. In addition, internal audit was required to carry out an independent review annually, to provide assurance on the adequacy and effectiveness of corporate governance arrangements and the extent of compliance with the approved Standard.

1.2 CIPFA/SOLACE has now published an update to the above Standard – a Framework for Delivering Good Governance in Local Government – to make the original Standard directly relevant to Local Government.

1.2 The scope of the audit covered monitoring compliance with the Standard and identifying any new requirements arising from the 2007/08 CIPFA/SOLACE framework.

2.0 **KEY FINDINGS**

2.1 Detailed comments are given in Appendix A, which shows the full CIPFA/SOLACE framework and how this is being applied. Areas highlighted in the first column are the new requirements identified. These have been incorporated in the action plan at Appendix B if the Council does not already have appropriate arrangements in place. The **new requirements** related to:-

- Ensuring that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners

- Putting in place effective arrangements to identify and deal with failure in service delivery

- Measuring the environmental impact of policies, plans and decisions

- Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function

- Making a Chief Executive responsible and accountable to the authority for all aspects of operational management

- Developing protocols to ensure that the leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained

- When working in partnership:-

  - ensure there is clarity about the legal status of the partnership
  - ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

- Developing and maintaining an effective Standards Committee

- In pursuing the vision of a partnership, agree a set of values against which decision-making and actions can be judged

- Developing and maintaining and effective scrutiny function, which encourages constructive challenge and enhances the authority's performance overall *and that of any organisation for which it is responsible*

- Developing and maintaining an effective audit committee (or equivalent), which is independent of the Executive and Scrutiny functions, or make other appropriate arrangements for the discharge of the functions of such a committee

- Using their legal powers to the full benefit of the citizens and communities in their area

- Actively recognising the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also striving to utilise their powers to the full benefit of their communities

- Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on authorities by public law

- Observing 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.

2.2   We found that the existing governance arrangements largely met most of the new requirements identified in the CIPFA/SOLACE 2007/08 framework and agreed arrangements were being complied with.

2.3   **A number of items had been progressed since the previous year**. These included: -

- approving a revised Corporate Plan
- reviewing the Constitution
- approving revised Financial Regulations
- updating Audit Commission pro formas on Direction of Travel, Value for Money and the Use of Resources to evaluate performance

- continuing the personal development programmes for Members
- continuing a corporate management training programme
- approving job profiles for corporate team members and making these available on the intranet
- agreeing documented roles for Members
- implementing a programme of work by the Process Improvement Team
- updating partnership agreements
- maintaining operational risk registers on the corporate performance management system (Covalent)
- carrying out a management survey relating to data quality
- delivering corporate training for all employees on Equality and Diversity
- beginning a programme of Equality and Diversity Impact Assessments
- carrying out a health check on Ethical Governance
- organizing feedback from stakeholders as to the Council's performance

2.4   **Outstanding actions from the previous year related to**:-

- The need for full compliance with the revised Complaints procedure. [Further progress was to be linked with the functionality of the new Customer Relationship Management software]

- Quarterly performance discussions held with the Service Heads and Directors were to be formally documented and available for review. [Some notes were now lodged on the Covalent performance system]

- Linking performance to budgets within Service Plans and Performance Monitoring reports   [2007/08 Service Plans and 2008/09 budget planning included resource planning linked to the delivery of objectives but further work is needed in linking financial monitoring to service performance. A Task Group has been set up to address this in 2008/09]

2.5   Progress on these outstanding issues is monitored quarterly.

2.6   **Areas for further improvement in 2007/08 related to**:-

- The Statement of Accounts for 2006/07 were not signed off or published, due to material errors within the accounts and because of a public objection. As at 29/4/08, the 2006/07 accounts were being finalised, the 2005/06 accounts were being restated and the Audit Commission was still considering the objection.

- The Scheme of Delegations for Officers has not been fully reviewed since April 2005. It needs to reflect subsequent operational changes and approved changes to Financial Regulations. Delegated powers to the Chief Executive are limited and some operational powers still remain with Full Council, the Executive and with Personnel Panel.

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- Further development of the Ethical Governance Framework was to be undertaken in 2008/09.

- A phased programme of Equality and Diversity Impact Assessments were introduced in 2007/08. Further was to be undertaken in 2008/09.

- The Scrutiny Committees' work plan could involve more scrutiny of performance delivered by partnerships. [Revisions to the Constitution on 17/4/07 allow OSC powers to summons representatives of partner organisations to appear before them or to provide information within specified timescales]

- The last annual report on the activity of the scrutiny function was for 2005/06.

- Whilst the Council had formally agreed the principles of the previous Code and an action plan to achieve compliance, the Council does not have a formally documented Code of Corporate Governance.

3.0 **CONCLUSION**

3.1 Overall the Council's corporate governance arrangements are in line with the Delivering Good Governance in Local Government Framework. Arrangements were largely in place and were being complied with. Particular emphasis is now being placed on partnership working and this is reflected in new requirements both for partnership working and for actively recognising the limits of lawful action.

3.2 Continued progress has been made in developing and updating the arrangements and actions have been identified to address the outstanding issues.

Marilyn Robinson
Audit Services Manager

29 April 2008

APPENDIX A

1. **Good governance means focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.**

The function of governance is to ensure that authorities, other local government organizations or connected partnerships fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. This concept should guide all governance activity. There are some general purposes that are fundamental to all public governance, including providing good quality services and achieving value for money. Public value refers to the things that public services produce, either directly or indirectly, using public money. Public value includes: outcomes (such as improved health and improved safety); services (such as waste collection); and trust in public governance.

Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organization and to external stakeholders.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users. The Council should:- • Develop and promote the authority's purpose and vision	Updated Corporate Plan. Reviewed in line with plans of the Local Strategic Partnership. Service Plans developed to achieve Corporate Plan objectives.	Corporate Plan update approved by Council 17/4/07 & by Exec. 8/4/08. 2007/08 Service Plans were in place.	A & on web site. Held by Policy Unit.
• Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements		Service Reviews were considered as part of budget process. Exec 8/4/08 approved Memorandum of Roles	Budget process file.
Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners	Partnership agreement in place for the West Cumbria Partnership.	& Responsibilities and Accountable Body Agreement for WCP.	M & on web site
• Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	Best Value Performance Report [summary circulated with Council Tax Bills] Statement of Accounts.	Performance report for 2006/07 forms part of Corporate Plan 2007-2012. **Statement of Accounts 2006/07 not signed off/published.**	M & on web site

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
1.2 Ensuring that users receive a high quality of service, whether directly or in partnership or by commissioning.		Customer Service Strategy and Commitments approved by Executive 21/2/06.	B
The Council should:- • decide how the quality of service for users is to be measured and make sure that it has the information it needs to review service quality effectively and regularly.	Service Standards – Customer Service Charter. Performance Indicators built into Corporate Plan & Service Plans. Quarterly Performance Monitoring reports to the Executive.	Quarterly performance monitoring on Service Plans to Directors. Quarterly reports to Executive on corporate plan objectives and PI's.	C
• *Put in place effective arrangements to identify and deal with failure in service delivery.*	Corporate Team focus on areas where PI' are significantly below target. Reports to Scrutiny Committee, with action plans.	Corporate Improvement Board. Scrutiny reports – e.g. on Enforcement performance. Alternative provision of service considered e.g. Markets.	J C
	Complaints procedure - Increased sharing of learning through formal and informal complaints.	Complaints Monitoring Procedure includes action to address the problem and central analysis of complaints and responses by Customer Services Officer. Reports to OSC Management meeting half-yearly.	F

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
	Customer Forums / Surveys. Publicise results of surveys and Council's response.	Communications Strategy in place.	D
		Best Value Survey Tracker in 2007/08.	E
	Improving Customer Satisfaction project – Customer First.	Customer First feedback used at Managers Group to highlight performance issues and to feed into Communications MOT in 2007/08.	E

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CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
1.3 Ensuring that the authority makes best use of resources and that taxpayers and service users receive excellent value for money The Council should:- • 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.	Best Value and Local Performance Indicators. Procurement Strategy in place. Efficiency agenda – looking at alternative ways of delivery	Quarterly performance monitoring arrangements in place. Alternative delivery considered e.g. Management of Markets.	C G
		All services reviewed as part of budget process.	Resource Planning Working Group minutes.
	Process Improvement team. [PIT]	PIT workplan/ progress reports.	G
		Audit Commission pro formas used for Direction of Travel, Value for Money and the Use of Resources.	Copies on Audit Committee agendas.
• *Measure the environmental impact of policies, plans and decisions.*	Impact considered in reports to the Executive.	Impact on sustainability and on rural proofing included in checklist in pro forma for all Executive reports.	C

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

APPENDIX A

2. **Good governance means Members and officers working together to achieve a common purpose with clearly defined functions and roles**

The governing body of an organization has overall responsibility for directing and controlling that organization. In local government, the governing body is the full council or authority. Good governance requires all concerned to be clear about the functions of governance and their own roles and responsibilities and those of others, and to behave in ways that are consistent with those roles. Being clear about one's own role, and how it relates to that of others, increases the chance of performing the role well. Clarity about roles also helps all stakeholders to understand how the governance system works and who is accountable for what.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
2.1 *Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.*			H
The Council needs to:- • 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 towards putting this into practice. • Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers.	The roles and responsibilities of Members are set out in the Constitution in relation to the individual roles of Committees, panels and the Executive and in relation to delegation of powers to portfolio holders and senior officers.	Further amendments approved by Council 17/4/07 & 15/4/08. Scheme of delegation & ad hoc specific delegations approved by the Executive. **Scheme of Delegations to Officers has not been fully reviewed since April 2005. Needs to reflect subsequent operational changes and approved changes to Financial Regulations.**	

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CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
2.2 Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard. The Council should:- • 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.	As 2.1 above	As 2.1 above	
• *Make a chief executive responsible and accountable to the authority for all aspects of operational management.*		Delegated powers to the Chief Executive are limited and have not been reviewed since April 2005. Some operational powers still remain with Full Council, the Executive and with Personnel Panel.	H
• *Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained*	General Member/Officer Relations Protocol has been in place since 12/4/05.		H
[The Leader's role is to lead the governing body, ensuring it makes an effective contribution to the governance of the organization; the Chief Executive's role is to lead the organization in implementing strategy and managing the delivery of services. A good working relationship between the two can make a significant contribution to effective governance.]	Job profiles approved for all Members by Full Council 27/2/07. Job profile for the Chief Executive was agreed in 2007.		L H

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
2.2 Continued			
• Make a senior officer (the S.151 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.	Head of Finance & Business Management is designated as the S.151 officer in the Scheme of Delegation. S.151 officer is a member of Corporate Team. Financial Regulations detail responsibilities and Executive reports include the requirement for consultation with the S.151 officer.	Arrangements put in place following the resignation of the previous S.151 officer at the end of August 2007. Corporate Team meet to review all reports prior to Executive reports being placed on the agenda.	C
• Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.	The Head of Legal and Democratic Services is designated as the Monitoring Officer. He is a member of Corporate Team and Executive reports include the requirement for consultation with the Monitoring Officer.	S.151 officer & the Monitoring Officer (or the relevant deputy) attend all meetings of the Executive and of Full Council.	C

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other. The Council should:-	General Member/Officer Relations Protocol has been in place since 12/4/05.		H
• Develop protocols to ensure effective communication between members and officers in their respective roles.	Members Role descriptions were approved by Full Council 27/2/07. These included:- Generic Role (all 51 members) Leader Leader of Opposition Group Executive Member Regulatory Committee Chair Other Committee Chair Overview and Scrutiny Chair	Portfolio holder responsibilities circulated in 2007/08.	L
• 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).	Independent Remuneration Panel reviews Members' Allowances.	Review undertaken March 2007. Recommendations approved by Full Council on 16/3/07.	L
• Ensure that effective mechanisms exist to monitor service delivery.	Quarterly performance monitoring reports.	As 1.2 above. Consultation with	C
• 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 key stakeholders, and that they are clearly articulated and disseminated.	Consultation on priorities, aims and objectives in the Corporate Plan and as part of the annual budget consultation process.	Neighbourhood Forums throughout the Borough in 2007/08 on corporate priorities. Consultation with key stakeholders on the Corporate Plan.	Budget process file. E

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CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT
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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
2.3 Continued			
• when working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relationship to the partnership and to the authority.	Guidance to Councillors on their Responsibilities as Members of Outside Bodies was approved 27/4/06.	Arrangements still in place 2007/08.	N
• *When working in partnership:* *- ensure there is clarity about the legal status of the partnership* *- ensure that representatives of organizations both understand and make clear to all other partners the extent of their authority to bind their organization to partner decisisions.*	West Cumbria Strategic Partnership – Memorandum of Roles and Responsibilities and Accountable Body Agreement.	Revised Partnership arrangements for the West Cumbria Partnership were agreed by the Executive 8/4/08.	M
	Service Level Agreements	SLA with the W. Lake District Tourism Partnership for 2006-09.	M
	Partnership agreement in place for the Local Area Agreement Grant in 2007/08.	This included governance arrangements.	LAA Grant file.

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3. **Good governance means promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

Good governance comes from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour. Good governance builds on the 7 principles for the conduct of people in public life that were established by the Committee on Standards in Public Life, known as the Nolan principles - selflessness, integrity, objectivity, accountability, openness, honesty and leadership. In England, the Local Government Act 2000 outlined 10 principles of conduct – an additional 3 to those identified by Nolan – respect for others, duty to uphold the law and stewardship.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
3.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance. • Ensure that the authority's leadership sets a tone for the organization by creating a climate of openness, support and respect.	Mission and corporate values incorporated in the Corporate Plan. Dignity at Work Policy. Quarterly meetings are now scheduled between the Independent Chair of the Standards Committee, the Executive Leader and the Chief Executive to discuss issues relating to conduct and good governance.	Mission and corporate values updated in 2007/08 as part of revision of the Corporate Plan. Vision, values and priorities are published in the Best Value Performance Summary, the	A
• 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 and Employees Code of Conduct are in place. Anti-Fraud & Corruption Strategy. Planning Code of Conduct. New legislation on the local sift of complaints against Councillors comes into force on 8th May 2008. At the time of writing (30th April) the Guidance is not yet available. However protocols will be put in place once received.	Customer Service Strategy and Corporate Team's Commitments. Revised Members Code of Conduct was approved 3/7/07. Revised Anti-Fraud & Corruption Strategy approved 27/11/07.	B L I

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
3.1 Continued			
• 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.	Compliance with Equality and Diversity Policy and Guidelines. Dignity at Work Policy.	Corporate training on Equality and Diversity was undertaken by both Members and Employees. Workshops undertaken on Ethical Governance.	Records held by Head of Legal & Demo-cratic Services
3.2 Ensuring that organizational values are put into practice and are effective.			
• Develop and maintain shared values, including leadership values for both the organization and staff reflecting public expectations, and communicate these with members, staff, the community and partners.	As 3.1	The Standards Committee has been considering an Ethical Governance Framework in 2007/08. **Further development of the Ethical Governance Framework to be undertaken in 2008/09.**	I
• 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.	As 3.1	**Phased programme of Equality & Diversity Impact Assessments introduced in 2007/08. Further work to be undertaken in 2008/09.**	O

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
3.2 Continued			
• *Develop and maintain an effective Standards Committee*	Standards Committee's terms of reference are kept under review. See also the comments made at 3.1.	Amendments to the Constitution proposed to the Annual Meeting in May 2008 will highlight changes to the terms of reference of the Standards Committee arising from the requirement for a Local Sift and changes in the way appeals against determinations concerning politically restricted posts are dealt with.	H
• 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.	As 3.1 & 3.2 above. Arrangements in place for Freedom of Information Act. Also Publication Scheme in place in the public domain	Publication Scheme on the web site updated October 2007.	O
	Review of Part II reports to ensure that only the specific items defined by legislation are included in Part II reports.		J
• *In pursuing the vision of a partnership agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.*	As 2.3 Protocols / Agreements in place.	As 2.3 Protocols / Agreements in place.	M H

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4. **Good governance means taking informed and transparent decisions, which are subject to effective scrutiny and managing risk.**

Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, Members must be well informed.

Members making decisions need the support of appropriate systems, to help to ensure that decisions are implemented and that resources are used legally and efficiently.

Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

A risk management system should consider the full range of the organisation's activities and responsibilities, and continuously check that various good management disciplines are in place, including:

- strategies and policies are put into practice in all relevant parts of the organisation
- strategies and policies are well designed and regularly reviewed
- high quality services are delivered efficiently and effectively
- performance is regularly and rigorously monitored and effective measures are put in place to tackle poor performance
- laws and regulations are complied with
- information used by the organisation is relevant, accurate, up-to-date, timely and reliable
- financial statements and other information published by the organization are accurate and reliable
- financial resources are managed efficiently and effectively and are safeguarded
- human and other resources are appropriately managed and safeguarded.

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.		Agreed workplan.	
• 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.*	Role of Scrutiny Committees defined in the Constitution.	**Scrutiny workplan could involve more scrutiny of performance delivered by partnerships. [Revisions to Constitution 17/4/07 allow OSC powers to summons representatives of partner organizations to appear before them or to provide information within specified timescales. Scrutiny Committees are shortly to have wider statutory powers conferred on them by the Local Government and Public Involvement in Health Act 2007.**	H
• Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	The Statement of Executive Decisions has been revised to bring greater clarity to the decision-making process.	Format continued to be used in 2007/08.	
• 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.	Register of Members' and Officers' Interests in place. Also formal procedure for declaration of interests at each Committee / Panel meeting.	Practice continued in 2007/08. Head of Legal & Democratic Services periodically sends out a reminder re the need to register and declare interests.	SEDs on the website.

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.1 Continued			
• *Develop and maintain an effective audit committee (or equivalent) which is independent of the Executive and Scrutiny functions, or make other appropriate arrangements for the discharge of the functions of such a committee.*	Audit Committee is a politically balanced, formally constituted committee. Members are not members of the Executive or Scrutiny committees. The role of the Audit Committee is based on CIPFA guidelines.	Audit Committee operated in line with the Constitution 2007/08. Training undertaken by Members. Complied with the CIPFA requirements for an effective Audit Committee. Review to be undertaken by Corporate Team and reported to the Audit Committee 28/5/08.	H
• Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.	Formal Complaints Procedure in place. Designated officers to co-ordinate and monitor corporately all complaints received and to report half-yearly to OSC Management.	Additional guidance given to Managers in 2007.	F

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT
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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.			
• Ensure that those making decisions, whether for the authority or the partnership, are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.	Reports must include an "argument" in support of the recommendation. There is a checklist as part of the report pro forma to ensure that implications are covered.	Practice evidenced in Committee reports for 2007/08.	Committee agendas
• Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.	All reports for Executive decisions include legal and financial implications. Reports are withdrawn if there has been no consultation with the Head of Legal and Democratic Services or the Head of Finance and Business Development.	As above.	As above
	Monitoring officer or deputy and s151 officer or deputy always attend the Executive / full Council meetings.	Practice continued in 2007/08.	
	Seek external advice when appropriate e.g. Counsel, technical experts.	Consultants' advice sought on response to proposed Local Government reorganisation.	Working Group records
	Constitution requires members to listen to advice and record if not in agreement.	Recorded on Statement of Executive Decisions.	SED's on web site
			On web site

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.3 Ensuring that an effective risk management system is in place. • 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.	Risk Management Strategy has been in place since 25/4/06. Strategic and Operational Risk Registers are in place. Impact and probability are assessed.	Operational risks for each service area now documented and managed on the corporate performance system (Covalent) in 2007/08.	R & C
	Project Initiation Documents include analysis of risk. Improvement Board monitor progress of major improvement projects and on the corporate plan objectives.	Improvement Board continued to meet in 2007/08 and its role was reviewed on 15/4/08 at Full Council.	J H
	Individual internal audit reports give an opinion on the risk position. These are summarized in an annual report to the Audit Committee.	Annual Statement on Internal Control to be considered by the Audit Committee 28/5/08.	S
	Risk management is in the terms of reference of the Audit Committee.	Annual Governance Statement, including assessment of risk management arrangements, co-ordinated by the Head of Policy & Performance, to be approved by the Audit Committee.	

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.3 Continued			
• 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.	Confidential Reporting Code (Whistleblowing Policy) in place.	Notices placed on notice boards throughout the Council's offices, publicising the Code. Code is also on the intranet & website. Relaunched internally and via press release. All contractors notified as part of the contract. Code reviewed by both Audit and Standards Committees in 2007/8.	Q

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Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
4.4 *Using their legal powers to the full benefit of the citizens and communities in their area.*			
• *Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities.*	Constitution defines delegated powers. Individual departments act within statutory provision e.g. licensing. Monitoring Officer maintains an overview of the Council's decisions and will advise if he considers any proposed actions are ultra vires and, if so, the alternatives.	Constitution is regularly reviewed in the light of new legislation e.g. the Local Government and Public Involvement in Health Act 2007. Changes to the Constitution required by this Act will be recommended at the Council's Annual Meeting in May 2008. Further changes will be recommended when Statutory Instruments bring relevant parts of the Act into operation.	H
• *Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law.*	As above. Legal Services Manager is introducing a fortnightly legal update in 2008/9 to advise staff of changes in legislation. Training sessions on the Data Protection Act are regularly held - for example, 9 sessions in 2007/8. Members undertook training on the Member Code of Conduct in 2007/8.	As above.	
• *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.*	As above.	As above.	

5. **Good governance means developing the capacity and capability of members and officers to be effective**

Effective local government relies on public confidence in authority members and in officers. Good governance strengthens credibility and confidence in our public services.

Authorities need people with the right skills to direct and control them effectively. Authority members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience. Good governance means drawing on the largest possible pool of potential members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election will develop a membership that has a greater range of experience and knowledge. It will also help to increase the diversity of authority members in terms of age, ethnic background, social class, life experiences, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organisations.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.	There is an approved Members Training & Development Plan. The Leader and three other members have attended the Leadership Academy Programme.	Member training programme continued in 2007/08. Individual training records are now maintained for each Member.	L
• Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	• ACE Programme • LSP Improvement Plan – Community Leadership Officers have an induction programme and annual employee development interviews, which identifies training and development needs.	EDI records kept by managers. Corporate Training Plan. Individual action plans.	
• 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.	Statutory officers, as other managers, identify resource needs as part of the service planning and budget process. Members of Corporate Team.	Service planning and budget process followed in 2007/08. Members of Corporate Team.	Resource Planning Working Group papers.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	Induction training takes place for all new Members. This is followed by a Member Training Programme.	2 days induction training on local governance given in May 2007.	L
• Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.	Democratic Services formulated Personal Development Plans for Members, identifying individual training needs and developed a corporate Member training programme.	Personal Development Programme for Members continued in 2007/08.	L
• develop skills on a continuing basis to improve performance, including the ability to scrutinize and challenge and to recognize when outside expert advice is needed.	As above. Support from Scrutiny Officer and other Democratic Services Officers.	Scrutiny Officer and Democratic Services Officers in place in 2007/08.	
• 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.	As above.	Personal Development Programme	L

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNMENT IN LOCAL GOVERNMENT
FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
5.3 Encouraging new talent for membership of the authority, so that best use can be made of individuals' skills and resources in balancing continuity and renewal.			
• 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.		**It was felt that this was a matter for the political parties themselves, rather than a policy.**	H
• ensure that career structures are in place for members and officers to encourage participation and development.	The Constitution gives the flexibility to change Portfolio Holders' areas of responsibilities at regular intervals.	The appointment of the Executive and the allocation of portfolios is the responsibility of the Leader. Membership of Committees / portfolio holders reviewed annually.	
	Officers have annual employee development interviews. All vacancies are advertised internally in the first instance.	Arrangements in place in 2007/08.	

6. **Good governance means engaging with local people and other stakeholders to ensure robust public accountability.** Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions. All authorities are subject to external review through the external audit of their financial statements. They are required to publish their financial statements and are encouraged to prepare an annual report. Many are subject to national standards and targets. Their budgets are effectively subject to significant influence and overview by government, which has powers to intervene. Both members and officers are subject to codes of conduct. Additionally, where maladministration may have occurred, an aggrieved person may appeal either through their local councilor or directly to the ombudsman.

Real accountability requires a relationship and a dialogue. It involves an agreed process for both giving an account of your actions and being held to account; a systematic approach to put that process into operation; and a focus on explicit results or outcomes. Real accountability is concerned not only with reporting on or discussing actions already completed, but also with engaging with stakeholders to understand and respond to their views as the organisation plans and carries out its activities.

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.		**Scrutiny workplan could involve more scrutiny of performance delivered by partnerships. [Revisions to Constitution 17/4/07 allow OSC powers to summons representatives of partner organizations to appear before them or to provide information within specified timescales.]**	H
• Make clear themselves, all staff and the community to whom they are accountable and for what.	Constitution sets out the role of Overview and Scrutiny Committees. Corporate Plan sets out priorities, objectives and targets.		

CORPORATE GOVERNANCE 2007/08 – COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT
FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
• Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.	Corporate Plan. Partnership protocols and agreements.	General format for Partnership protocols approved by the Executive 19/12/06. All those entering into partnership agreements to follow the agreed format in drawing up partnership agreements. SLA with the W. Lake District Tourism Partnership for 2006-09. Partnership arrangement in place for LAA grant in 2007/08. Revised Partnership arrangements for the West Cumbria Partnership were agreed by the Executive 8/4/08.	M
• Produce an annual report on the activity of the scrutiny function.	Consultation as part of developing the Scrutiny workplan.	**Last annual report on the activity of the scrutiny function was for 2005/06.**	E

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery –whether directly by the authority, in partnership or by commissioning.		The Communications Strategy was approved by the Executive on 23/5/06. Includes consultation.	D
• 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 that they operate effectively.	Communication Strategy	Additional post recruited in 2007/08 to support communications. Consultation with Neighbourhood Forums in 2007/08 and with stakeholders in April 2008 as part of Scrutiny work.	E E
• Hold meetings in public unless there are good reasons for confidentiality.	Meetings held in public. Split reports, if necessary, so that minimal content is in Part II of the agenda. There is a general presumption against discussing items in private session.	Practice continued in 2007/08.	Agendas on web site.
• Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognize that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.	Community-based activities. Consultation with Neighbourhood Forums.	Neighbourhood Manager in South Whitehaven and Community Engagement Officers. Various Arts and Sports outreach projects.	E LAA records.

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
6.2 (Continued)			
• Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result.	Communication Strategy, co-ordinated by the Senior Communications Officer.	Communication Strategy – as above – includes consultation. "Have your Say" forums on the website	D
	Partnership agreements.	See Partnership Agreements above.	M
• On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	Corporate Plan. Annual Best Value Performance Plan includes key objectives for the coming year, key achievements during the past year, the financial position and feedback from satisfaction surveys.	Corporate Plan updated in 2007/08. Annual Best Value Performance Plan includes key objectives, key achievements, financial position and customer feedback.	Summary – A. Full Plan – & report on web-site
	Financial Accounts.	**Annual Statement of Accounts not signed off / published in 2007/08.**	
• 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 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.	Constitution. Committee meetings and agenda published on the web site.	All arrangements in place for 2007/08.	H
	Complaints procedure.		F
	Partnership protocol / agreements. Copeland Matters published to inform and seek feedback.	As above. Copeland Matters published 3 times a year.	M

CORPORATE GOVERNANCE 2007/08 - COMPLIANCE WITH THE DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT
FRAMEWORK

Principle and Application	How Copeland Borough Council demonstrates compliance	Comments	Working Paper
6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.			
• Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	Joint Consultative & Safety Panel is the regular forum for discussion with union representatives and management.	Arrangements continued in 2007/08.	Meeting agendas & minutes
	Ad hoc task groups on major issues.	Working group on Job Evaluation process in 2007/08 – included union representatives.

Operational staff involved in the Alternative Payments Project [closure of cash offices]. | Meeting reports & minutes |
| | Employee Surveys. | Employee Survey and "Roadshows" for feedback undertaken in 2007/08. | |
| | Monthly Team Talk for corporate briefing and local team briefing. | Arrangements continued in 2007/08. Team Talk briefings are posted on the intranet. | Intranet. |

CORPORATE GOVERNANCE 2007/08 REPORT
ACTION PLAN

Issue No. / Priority	Appendix A Ref.	Issues	Action Agreed	Responsible Officer	Target Date
1 P1	1.1	Statement of Accounts 2006/07 not signed off / published, due to an objection.	The Audit Commission is still considering the objection. Once this has been finalised and the Accounts signed off, they will be approved and published.	G Ayling Head of Finance & Business Development	30/6/08
2 P1	2.1 2.2	Scheme of Delegations to Officers needs to be reviewed to reflect: - operational changes and approved changes to Financial Regulations - the good governance guidance stating that the Chief Executive should be responsible and accountable for all aspects of operational management. [Some operational powers still remain with Full Council, the Executive and with Personnel Panel]	We aim to do this for the Annual Meeting in May 2008. A cross reference will be made in the delegated powers section to the powers given in Financial regulations rather than repeat them in the Scheme of Delegation.	M Jepson Head of Legal & Democratic Services	13/5/08
3 P2	3.2	Following work undertaken on the Ethical Government Framework in 2007/08, further action be carried out to implement the action plan.	Work Plan for Standards Committee for 2008/9 agreed.	M Jepson Head of Legal & Democratic Services	31/3/09
4 P2	3.2	Following work undertaken on Equality & Diversity in 2007/08, all Equality and Diversity Impact Assessments to be completed.	Complete all EIAs in 2008/9.	M Jepson Head of Legal & Democratic Services	31/3/09

CORPORATE GOVERNANCE 2007/08 REPORT
ACTION PLAN

Issue No / Priority	Appendix A Ref.	Issues	Action Agreed	Responsible Officer	Target Date
5 P3	4.1	The Scrutiny workplan could involve more scrutiny of performance delivered by partnerships.	Proposals for the Scrutiny of the Local Area Agreement through a joint Cumbria approach are being considered. There is a Scrutiny Group which looks at the West Cumbria Strategic Partnership. Consultation letters on next year's work plan have gone out to a wide range of partners asking what issues they would like Scrutiny to look at.	M Jepson Head of Legal & Democratic Services	31/3/09
6 P3	6.1	The Council should produce an annual report on the activity of the scrutiny function.	It is not intended to produce an Annual Report until next year when it is hoped greater public interest and involvement will be generated by looking more closely at the issues raised through the consultation letters on the work plan.	M Jepson Head of Legal & Democratic Services	30/4/09
7 P2	Report para 2.6	The Council should formally document its Code of Corporate Governance. [An example is attached at Appendix C]	Will be put forward in a draft report for the Annual Meeting 2008.	M Jepson Head of Legal & Democratic Services	13/5/08

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COPELAND BOROUGH COUNCIL

DRAFT CODE OF CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes cultures and values. For local authorities this also includes how a council relates to the communities that it serves. Good Corporate Governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate Governance is also the structure through which strategic objectives are set and performance monitored.

Copeland Borough Council is committed to demonstrating that it has fully effective Corporate Governance arrangements in place to perform effectively.

This Code is a public statement that sets out the way the Council will meet that commitment. As such it represents a key component of the Council's constitutional arrangements. The Code has been developed in light of CIPFA / SOLACE Delivering Good Governance in Local Government Framework and is based upon the following 6 core principles:

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

- **Members and officers working together to achieve a common purpose with clearly defined functions and roles**

- **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

- **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

- **Developing the capacity and capability of members and officers to be effective**

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

The Code also sets out the mechanisms for monitoring and reviewing the Council's Corporate Governance arrangements.

THE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES

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

1. The Council will, in exercising Strategic Leadership, develop and communicate its purpose and vision and intended outcomes for citizens and service users. It will explain and report regularly on activities, performance and the Council's financial position. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position will be provided. The Council will do this by publishing annually:

    *   A Corporate Plan;
    *   Externally audited accounts;
    *   Annual Report;
    *   Independently verified performance information.

2. The Council will aim to deliver high quality services that are value for money. The Council will do this by:

    *   Delivering services to meet local needs through the Community Strategy, and put in place policies and processes to ensure that they operate effectively in practice;
    *   Directing resources to those that need services most;
    *   Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;
    *   Responding positively to the findings and recommendations of external auditors and statutory inspectors and putting in place arrangements for the implementation of agreed actions and improvement ;
    *   Comparing information about our services with services provided by similar organisations, assessing why levels of efficiency, effectiveness and quality are different elsewhere and considering other alternative means of service provision to maximise opportunities and improve value for money where appropriate;

Members and officers working together to achieve a common purpose with clearly defined functions and roles

3. The Council will ensure that the necessary roles and responsibilities for the Governance of the Council are identified and allocated so that it is clear who is accountable for decisions, together with delivering performance against the Council's objectives. The Council will do this by:

    *   Electing a Leader of the Council and Executive Members with defined executive responsibilities;
    *   Agreeing a scheme of delegated responsibilities to Officers;

- Annually appointing Committees to discharge the Council's Regulatory responsibilities;
- Annually appointing Committees to discharge the Council's Scrutiny responsibilities;
- Undertaking a regular review of the operation of the Council's Constitution;
- Having in place effective and comprehensive arrangements for the scrutiny of services and for holding the Executive to account;
- Making the Chief Executive responsible and accountable for all aspects of operational management;
- Making a nominated Senior Officer responsible for the proper administration of its financial affairs (S151 Officer);
- Making a nominated Senior Officer responsible for actions taken in accordance with Statute and Regulation (Monitoring Officer);
- Developing protocols that ensure effective communications between Members and Officers.

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

4. The Council will foster an organizational culture based on shared values, high ethical principles and good conduct. The Council will do this by establishing and keeping under review:

   - The Council's own values on Leadership as enshrined in the Corporate Plan and evidenced in Codes of Conduct that sets a standard for behaviour;
   - A Member Code of Conduct;
   - A Code of Practice for Members responsible for determining Planning Applications;
   - An Officer Code of Conduct, including declaration of gifts and hospitality ;
   - A Protocol governing Member/Officer relations;
   - Financial and Contract procedures rules
   - A Whistleblowing policy;
   - The roles of Members and officers in decision-making;
   - Appropriate and timely advice and guidance to both Members and Officers;
   - Systems for reporting and dealing with any incidents of fraud and corruption, via the Council's Anti-Fraud Strategy.

5. The Council will appoint a Standards Committee with responsibilities for promoting and monitoring the application and delivery of these codes and protocols and promoting positive and trusting relationships within the Council.

6. Governance arrangements with our key partners.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

7. The Council will ensure that appropriate legal, financial and other professional advice is always considered as part of the decision-making process and the Council will always observe both specific requirements of legislation and general responsibility by Law.

8. The Council will be transparent about how decisions are taken and recorded. The Council will do this by:

    - Ensuring that all decisions are made in public and recording those decisions and relevant information and making them available publicly (Except where that information is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Council);
    - Having rules and procedures which govern how decisions are made.

9. The Council will operate a risk management approach that aids the achievement of its strategic objectives, supports its decision making processes, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations. The Council will ensure that the risk management arrangements are operating effectively:

    - Promoting a culture of risk awareness;
    - Formally identifying and managing risks;
    - Involving elected members in the risk management process;
    - Mapping risks to financial and other key internal controls;
    - Documenting and recording details of risks in a risk management information system;
    - Monitoring the progress in mitigating significant risks, and reporting this to appropriate Members; and
    - Reviewing and, updating its risk management register at least annually.

10. The Council will ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.

Developing the capacity and capability of members and officers to be effective

11. The Council will ensure that those charged with the governance of the Council have the skills, knowledge and experience they need to perform well. The Council will do this by:

    - Consistent application of the Workforce Strategy and HR policies;

- Ensuring that the Council maintains an effective and skilled workforce;
- Implementing a Member Development Strategy;
- Maintaining the Investor in People Standard;
- Cascading regular information to Members and staff;
- Investing in Member and Officer Leadership training;
- Providing resources that support Member and Officer development;
- Promoting schemes supporting ongoing professional development.

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

12. The Council will seek and respond to the views of stakeholders and the community. The Council will do this by:

- Forming and maintaining relationships with the leaders of other organisations, through the Cumbria Strategic Partnership;
- Ensuring Partnership arrangements demonstrate clear and appropriate governance accountabilities, through the Partnership Register;
- Producing locality plans for service delivery within the community;
- Publishing a Forward Plan of Key Decisions;
- Having a Community Engagement and Consultation Strategy and providing access to a range of consultation methods, particularly to those groups which are harder to reach;
- Recognising that people are different and giving everyone the same or an equal opportunity to consider information, advice and support in ways that are suited to their needs or circumstances of the individual, via customer access and communications strategy;
- Encouraging and supporting the public in submitting requests for aspects of the Council's Service to be scrutinised;
- Providing and supporting ways for Citizens to present community concerns to the Council, via Neighbourhood Forums and public participation scheme;
- Providing for the public the opportunity to ask questions or make representations at full Council and Regulatory Committees;
- Publishing a Corporate Plan providing information in relation to the Council, supported by the Medium Term Financial Plan, and publishing the annual report and accounts;
- Continually developing clear channels of communication.
- Developing a modern ICT Service that meets the needs and aspirations of the organisation and the communities we serve

MONITORING AND REVIEW

13. The Council has two Committees that are responsible for monitoring and reviewing the various aspects of the Council's Corporate Governance arrangements.

14. The Audit Committee considers the Council's arrangements relating to:

- Monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure Internal Control systems are effective and that policies and practices comply with statutory and other regulations and guidance;
- Reviewing the Council's AccountsI;
- Reviewing the work of internal and external audit, providing a forum for the work and considering overall progress by the Council in responding to audit recommendations :
- External audit;
- Internal audit;
- Risk Management;
- Making recommendations concerning relevant governance aspects of the Constitution;

15. The Standards Committee has responsibility for promoting high ethical standards across the Council, overview of the Member and officer codes and other relevant protocols together with the Council's complaints handling regime.

16. These two Committees will ensure that the Council's governance arrangements are kept under review and that their work is regularly reported to the Council.

The Annual Governance Statement

17. Each year the Council will publish a Governance Statement. This process will be managed by Corporate Team, who will provide an overall assessment of the Council's Corporate Governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks.

18. The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be subject to external audit review by the Audit Commission.