

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

28 June 2012

ANNUAL GOVERNANCE STATEMENT
AND
LOCAL CODE OF CORPORATE GOVERNANCE

Report of the Corporate Director – Finance and Central Services

1.0 PURPOSE OF REPORT

- 1.1 To approve the Annual Governance Statement for 2011/12.
- 1.2 To recommend to the Executive that the updated Local Code of Governance be approved by the County Council.

2.0 BACKGROUND

- 2.1 According to the Terms of Reference of the Audit Committee, its role in respect of Corporate Governance (C-Gov) is:
- (i) to assess the effectiveness of the authority's C-Gov arrangements
 - (ii) to review progress on the implementation of C-Gov arrangements throughout the authority
 - (iii) to approve the Annual Governance Statement
 - (iv) to review the annual Statements of Assurance provided by the Chief Executive and Corporate Directors
- 2.2 In relation to (i) and (ii) above, reports are submitted at regular intervals during the year as set out in the Programme of Work. **Item (iii) is approved at this meeting each year**, whilst item (iv) is addressed by including progress updates in the Directorate specific reports submitted to each meeting by the Head of Internal Audit.
- 2.3 At its meeting on 26 May 2012, the Committee gave detailed consideration to the Corporate Governance Self Assessment Checklist (maintained by the Corporate Governance Officer Group) and an updated Local Code of Corporate Governance.
- 2.4 This report presents the "final draft" of the Local Code together with the Annual Governance Statement for 2011/12.

3.0 **LOCAL CODE OF CORPORATE GOVERNANCE (Appendix A)**

- 3.1 The Local Code of Corporate Governance is a statement of the principles that the County Council will apply in its corporate governance framework. It also describes key components of that framework and how they will be monitored and reviewed.
- 3.2 The Local Code is reviewed annually, by CGOG, alongside the Annual Governance Statement (AGS). Whilst the AGS needs to be updated on an annual basis (see **paragraph 4 below**), a simultaneous review of the Local Code ensures that key changes to the corporate governance framework (whether driven by external forces such as legislative changes or by internal factors) are reflected in the Local Code so that it is compatible with the AGS (which describes in detail the actual processes in place and the activity undertaken in the year relating to corporate governance).
- 3.3 The changes this year to the Local Code are minor and were reviewed by this Committee at its May meeting.
- 3.4 Once 'approved' by the Audit Committee at this meeting, the Local Code will be referred to the Executive, who will then need to recommend it for formal adoption by the County Council.

4.0 **ANNUAL GOVERNANCE STATEMENT (Appendix B)**

- 4.1 The Annual Governance Statement (AGS) is effectively an annual report which assesses the effectiveness of the governance processes which have been put in place within the authority. Formally it accompanies the Statement of Final Accounts when they are submitted to this Committee at its June meeting.
- 4.2 In order to fulfil its responsibilities, the Audit Committee needs to be able to satisfy itself that the governance and internal control processes described in the AGS are in fact both operational and effective. One aspect of this assurance process is to review progress by management on dealing with the issues identified in the AGS. The Committee has received several reports during the year on the issues identified in the 2010/11 AGS.
- 4.3 The Annual Governance Statement has previously been drafted to comply with *CIPFA / FAN The Annual Governance Statement Meeting the Requirements of the Audit &Accounts Regulations 2003, incorporating the Audit &Accounts Regulations 2006 Rough Guide*. However this guidance has been superseded by the *Delivering Good Governance Framework in Local Government 2007 and the Application Note to Delivering Good Governance in Local Government: a Framework (March 2010)*. As a result it has been necessary to update the Statement, and in particular Section 3.

- 4.4 For 2010/11 Section 3 of the AGS contained 9 “Statements of Governance” supported by 53 statements of supporting detail (ie the governance activities undertaken within the County Council to satisfy the Statements of Governance). Under the latest guidance, there are now 13 “Statements of Governance” to which the detailed governance activities have had to be re-mapped. In addition, the detailed activities have themselves to be updated to reflect changing circumstances and / or governance activities undertaken/introduced in the year.
- 4.5 The result of the above is that the draft AGS (attached as **Appendix B**) has effectively undergone a complete reformatting as well as a rewrite of the detail.
- 4.6 As in previous years there is one section of the AGS that relates to **Significant Governance Issues** (Section 7). The issues now included in **Appendix B** are sourced from a combination of the Statements of Assurance signed by Corporate Directors, Internal Audit findings and Risk Registers. In undertaking this ‘selection’ process the Corporate Governance Officers Group, and Management Board, have placed emphasis on those issues which at County Council level will, if they are not addressed, pose a potential threat to the Corporate Governance standards of the authority.

5.0 **RECOMMENDATIONS**

- 5.1 That the updated Local Code of Corporate Governance (**Appendix A**) be recommended for approval by the County Council.
- 5.2 That the Annual Governance Statement 2011/12 (**Appendix B**) be approved and that the Chairman of the meeting signs the Statement before its submission to the External Auditor.

JOHN MOORE
Corporate Director – Finance and Central Services

Finance and Central Services
County Hall
Northallerton

Background documents
None

D R A F T

Local Code of Corporate Governance

Approved by Audit Committee 28 June 2012

Adopted by County Council TBA.. 2012

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1.0 INTRODUCTION

- 1.1 Corporate governance is the system by which a local authority directs and controls its functions and relates to the community it serves. It is therefore a framework of policies, management systems, procedures and structures that together, determine and control the way in which a local authority manages its business, determines its strategies and objectives, and sets about delivering its services to meet those objectives for the greater good of its community. This naturally extends to how the organisation accounts to, engages with and, where appropriate, leads its community.
- 1.2 On this basis, the principles of good corporate governance require a local authority to undertake its functions in a way that is completely open and inclusive of all sectors of the community, demonstrates the utmost integrity in all its dealings, and is fully accountable to the public it serves.
- 1.3 North Yorkshire County Council is committed to demonstrating good corporate governance. This Code sets out what the governance arrangements are, and who is responsible for them within the County Council. It also explains how the arrangements will be kept under review and monitored for compliance.
- 1.4 The Code also expresses how the County Council will seek to conduct its business in a way that demonstrates -
- **Openness and Inclusivity** – which is necessary to ensure that stakeholders can have confidence in the decision-making and management processes of the County Council, and the role of the Members and Officers therein. Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information leads to effective and timely action and lends itself to necessary scrutiny. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders, and potential stakeholders, have the opportunity to engage effectively with the decision-making processes and actions of the County Council. It requires an outward looking perspective and a commitment to partnership working, that encourages innovative approaches to consultation and to service provision
 - **Integrity** – is necessary for trust in decision making and actions. It is based upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of public funds and the management of the County Council's affairs. It is dependent on the effectiveness of the internal control framework and on the personal standards and professionalism of both Members and Officers. It is reflected in the County Council's decision-making procedures, in its service delivery and in the quality of its financial and performance reporting
 - **Accountability** - is the process whereby Members and Officers within the County Council are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles expressed through a robust and resilient structure

2.0 POLICY STATEMENT ON CORPORATE GOVERNANCE

- 2.1 The Policy of the County Council is to incorporate the principles of Corporate Governance into all aspects of its business activities to ensure that stakeholders can have confidence in the decision-making and management processes of the authority, and in the conduct and professionalism of its Members, Officers and agents in delivering services. To this end, the County Council will report annually on its intentions, performance and financial position, as well as on the arrangements in place to ensure good governance is always exercised and maintained.
- 2.2 These principles reflected in this Policy will also be applied to the North Yorkshire Pension Fund and any company in which the County Council has a substantive equity holding.

3.0 THE SIX PRINCIPLES OF CORPORATE GOVERNANCE

- 3.1 There are six core principles that should underpin governance arrangements within a local authority. These are defined as follows -
- focussing 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
- 3.2 This Code addresses these six core principles and describes the systems and processes that support these in the County Council. In addition the Code reflects how the County Council addresses the requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government* (2010)
- 3.3 The Code also explains how the County Council intends to monitor and review the corporate governance arrangements defined in this Code including compliance with the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government* (2010).
- 3.4 A diagrammatic representation of how this Code fits into the management process of the County Council is attached as **Appendix A**.

4.0 CORPORATE GOVERNANCE ARRANGEMENTS

Core Principle 1 : Focussing on the purpose of the County Council and on outcomes for the community, and creating and implementing a vision for the local area

- 4.1 The County Council will develop a clear vision and purpose, identify intended outcomes and ensure that these are clearly communicated to all stakeholders of the organisation, both internal and external. In doing so, the County Council will report regularly on its activities and achievements, and its financial position and performance. The County Council will publish annually -
- a Council Plan
 - a Community Plan in conjunction with local partners
 - a Statement of Final Accounts together with the Annual Governance Statement
- 4.2 The County Council will keep its corporate strategies, objectives and priorities under constant review, so as to ensure that they remain relevant to the needs and aspirations of the community.
- 4.3 In undertaking all its activities, the County Council will aim to deliver high quality services which meet the needs of service users. Delivery may be made directly, via a subsidiary company, in partnership with other organisations, or by a commissioning arrangement. Measurement of service quality will also be a key feature of service delivery.
- 4.4 In addition, the County Council will continue to monitor the cost effectiveness and efficiency of its service delivery, as well as
- ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money in its use
 - ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary
 - ensure compliance with CIPFA's Code on Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code
- 4.5 The County Council will also seek to address any concerns or failings in service delivery by adhering to and promoting its Complaints Procedure.

Core Principle 2 : Members and Officers working together to achieve a common purpose with clearly defined functions and roles

- 4.6 To ensure accountability the Constitution of the County Council defines the roles and responsibilities of both the Council's executive and non-executive functions. In particular, the Constitution -
- clearly defines the role of the Executive and Executive Members
 - also defines the respective roles of other Members, Members generally and of Senior Officers
 - defines the statutory roles of the Head of Paid Service, Section 151 Officer and the Monitoring Officer
 - sets out a Protocol to address the working relationship between the Leader and the Chief Executive which enables each to fulfil their respective roles
 - sets out a Protocol on Member / Officer relations which is the framework for effective working together
 - includes Schemes of Delegation for both Members and Officers
 - includes Procedure Rules in relation to staff employment, contracts / procurement, finance and property that are reviewed annually
 - empowers an Independent Remuneration Panel that considers Members' allowances
 - requires appropriate governance arrangements for partnerships
 - is kept under regular review
- 4.7 To demonstrate compliance with the CIPFA Statement on the *Role of the Chief Financial Officer* the County Council will -
- ensure that the Chief Financial Officer (CFO) * reports directly to the Chief Executive and is a member of the Management Board with a status at least equivalent to other members
 - ensure that the authority's governance arrangements allow the CFO direct access to the Chief Executive and to other Management Board members
 - appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the *Role of the Chief Financial Officer* and ensure that they are properly understood throughout the authority

* the Corporate Director – Finance and Central Services fulfils the role of CFO as defined in the CIPFA Statement.

- ensure that the CFO :
 - leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and use appropriately, economically, efficiently and effectively
 - has a line of professional accountability for finance staff throughout the organisation
- ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance
- ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role
- establish a medium term business and financial planning process to deliver strategic objectives including:
 - a medium term financial strategy to ensure sustainable finances
 - a robust annual budget process that ensures financial balance
 - a monitoring process that enables this to be delivered
- ensure that these are subject to regular review to confirm the continuing relevance of assumptions used

Core Principle 3 : Promoting values for the County Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

4.8 The County Council will conduct its activities in a manner which promotes high ethical standards and good behaviour which will foster openness, support and mutual respect. The following policies and protocols have been established and will be kept under review to assist the County Council in maintaining this culture -

- Member Code of Conduct and Complaints procedure *
- Guidance Protocol re Members' Code of Conduct *
- Officer Code of Conduct
- Local / National Teachers' Code of Conduct

* The Localism Act 2011 changes the requirements on relevant local authorities in relation to the statutory Members' Code of Conduct and supporting ethical framework. Local arrangements are currently being developed (in consultation with neighbouring authorities in the North Yorkshire area) to ensure the County Council fulfils its new responsibility under this legislation to promote high standards of ethical conduct and this will include the adoption of a new local Code of Conduct.

- Protocol on Officer/Member Relations
- Code of Conduct for Planning
- Ethical Behaviour Statements
 - Leader
 - Chief Executive
- Staff and Member Registers of Interest
- ICT Code of Practice and Protocols on ICT use for Members and Officers
- Whistleblowing policy
- Counter Fraud Strategy
- Anti-Money Laundering Policy
- Officers' Register of Gifts & Hospitality
- Equality Policy Statement
- Communication Strategy
- Partnership Protocol
- Procurement Strategy
- Information Governance Framework

4.9 In addition, the County Council will ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.

4.10 The aim is to develop a set of shared values which will underpin an ethos of good governance. This will be further supported by compliance with legislation, Procedure Rules and all relevant professional standards.

4.11 The County Council has established a Standards Committee to discharge its responsibilities for promoting and maintaining high standards of Member conduct. The Standards Committee meets regularly, develops initiatives to promote high ethical standards, is involved in ensuring the training of all Members on standards, and monitors compliance against the national Code of Conduct for Councillors. The Committee is also responsible for the handling of complaints that Members may have breached the Code. These provisions will be reviewed in 2012/13 in view of the changes brought about by the Localism Act 2011.

4.12 Where the County Council works in partnership it will continue to uphold its own ethical standards, as well as acting in accordance with the partnership's shared values and aspirations.

Core Principle 4 : Taking informed transparent decisions which are subject to effective scrutiny and managing risk

4.13 The County Council observes this Principle through a combination of the following -

- all meetings of the Council and its Committees are open to the public
- having a formal Constitution which details the decision making process and the procedures required to support the transparency and accountability of decisions made
- an effective scrutiny function
- comprehensive recording of all decisions taken and the reasons for those decisions
- maintenance of registers to record potential conflicts of interest, attendance etc
- an independent Audit Committee
- a properly constituted Standards Committee. (Arrangements are, however, under review in 2012 in light of the enactment of the Localism Act 2011)
- a transparent complaints procedure
- Area Committees that have the flexibility to co-opt local representatives
- Member development programme
- provision of timely and relevant information to all interested parties
- involvement of legal, financial and specific service expertise to inform decision-making
- an embedded risk management culture
- effective whistleblowing and counter fraud procedures
- implementation of all specific legislative requirements placed upon the County Council
- a comprehensive Information Governance Framework in compliance with accredited standards; this Framework will include the protection of sensitive and commercial data

4.14 In relation to its financial management arrangements, the County Council will -

- ensure an effective internal audit function is resourced and maintained
- ensure that its governance arrangements allow the CFO direct access to the Audit Committee and External Auditor
- ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority
- ensure the authority's governance arrangements allow the CFO to bring influence to bear on all material decisions

- ensure that advice is provided on the levels of reserves and balances in line with good practice guidance
 - ensure the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports
 - ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes
- 4.15 Based on the above, in terms of policy and decision making, the Executive is supported at all times by professional advice that addresses all relevant legal, financial and resourcing issues. At the same time, risk management processes operate so as to ensure that the risk and impact of decisions are fully assessed.
- 4.16 The County Council operates a scrutiny framework, supported by named officers, that enables decisions by the Executive to be challenged or influenced by the rest of the County Council's Members.

Core Principle 5 : Developing the capacity and capability of Members and Officers to be effective

- 4.17 The County Council is continually seeking to develop the capacity and capability of both its Members and officers in recognition that the people who direct and control the organisation must have the right skills. This is achieved through a commitment to training and development, as well as recruiting senior officers with the appropriate balance of knowledge and experience.
- 4.18 The County Council aims to achieve this by -
- organising Member and employee induction programmes
 - a Workforce Plan that addresses issues such as recruitment, succession planning, flexible working and other people management issues
 - providing career structures to encourage staff development
 - regularly reviewing job descriptions and person specifications and using these as the basis for recruitment
 - implementing a Development Programme including individual training and development plans
 - maintaining an effective performance management system
 - encouraging a wide variety of individuals and organisations to participate in the work of the County Council
- 4.19 To ensure compliance with the CIPFA Statement in the *Role of the Chief Financial Officer* the County Council will
- ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of his role

- review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised
- provide the finance function with the resources, expertise and systems necessary to perform its role effectively
- embed financial competencies in person specifications and appraisals
- ensure that councillors' roles and responsibilities for monitoring financial performance / budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities

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

4.20 The County Council will seek the views of its stakeholders and respond appropriately by -

- clearly identifying its stakeholders, in order to ensure that relationships with these groups continue to be effective
- maintaining effective channels of communication which reach all groups within the community and other stakeholders as well as offering a range of consultation methods; to this end the County Council has a Communications Strategy and a Consultation Promise that are regularly reviewed and updated
- publishing a Council Plan and an annual Statement of Final Accounts to inform stakeholders and services users of the previous year's achievements and outcomes
- publishing a Medium Term Financial Strategy and consulting each year on the Annual Revenue Budget and its impact on Council Tax
- providing a variety of opportunities for the public to engage effectively with the County Council including attending meetings
- presenting itself in an open and accessible manner to ensure that County Council matters are dealt with transparently, in so far as the need for confidentiality allows
- supporting these shared principles and the undertakings in the North Yorkshire Compact which provides a framework for local authorities and other public bodies to work together with the voluntary and community sector
- developing a Community Plan in conjunction with local partners
- maintaining a Citizens' Panel of around 2000 residents who are consulted twice a year on a wide range of service issues
- maintaining a Freedom of Information Act Publication Scheme and arrangements to respond to requests for information from the public
- operating Access to Information Procedure Rules to ensure local people and stakeholders can exercise their rights to express an opinion on decisions, and can understand what decisions have been made and why

- ensuring the lawful and correct treatment of personal information through a Data Protection policy that follows the principles set out in the Data Protection Act 1998
- maintaining a County Council website that provides access to information and services and opportunities for public engagement

5.0 **MONITORING, REPORTING AND REVIEW**

5.1 Ensuring good corporate governance is the responsibility of the whole Council. However to formalise the process, the County Council has two Committees that are primarily responsible for monitoring and reviewing the corporate governance arrangements referred to in this Local Code -

- the Audit Committee
- the Standards Committee

The two committees liaise on any issue of Corporate Governance that may be of legitimate common concern to both.

5.2 The Audit Committee is independent of both the Executive and Scrutiny, and has wide ranging powers and responsibilities in relation to audit, information governance, counter fraud, risk management, procedure rules, as well as overall corporate governance that are detailed in the Constitution. This Committee is tasked with ensuring that an effective system of internal control operates throughout the organisation. The Committee meets a minimum of five times a year and includes three External Members.

5.3 The Standards Committee currently meets four times per annum to promote and maintain high standards of conduct by Councillors and co-opted Members of the Council. The Committee provides advice and support to the Council and its members on the County Council's Members' Code of Conduct and related ethical issues such as membership of outside bodies and Member/officer relations. The Committee regularly monitors statistics in a range of areas (for example the numbers of whistleblowing incidents reported, challenges to procurements, Freedom of Information Act requests and employment tribunal claims) which help give an indication of the health of the Council in relation to standards and ethics. Additionally, Standards Committee Members participate in training sessions and in sub-committees dealing with complaints of alleged breaches of the Code. The Committee is currently responsible for receiving, assessing and, where appropriate, investigating and determining complaints that Members may have breached the Code of Conduct. The Committee includes external, as well as County Council Members; one of the external Members chairs this Committee. The role and composition of the Standards Committee is under review in 2012/13 in view of the changes brought about by the Localism Act 2011.

5.4 Further to the two Committees referred to above, the County Council has also established

- a Corporate Governance Officer Group of senior officers, chaired by the Corporate Director – Finance and Central Services, which is responsible for overseeing the delivery of an integrated programme of work to support the development of robust corporate governance arrangements, and to keep implementation of such arrangements under on-going review. In particular, this Group monitors the Self-Assessment Checklist that maps, and monitors, all governance activity within the County Council against all published Best Practice Guidelines
- a Corporate Information Governance Group, also chaired by the Corporate Director – Finance and Central Services. This Group addresses the various challenges of Information Governance including the development and maintenance of a Framework for Information Governance which comprises a suite of relevant policies, protocols and guidance notes

5.5 The County Council is required to undertake an annual review of the effectiveness of its system of internal control *. This review seeks to -

- identify principal risks to the achievement of County Council objectives
- identify and evaluate key controls to manage principal risks
- obtain assurances of the effectiveness of key controls
- evaluate assurances and identify gaps in control/assurances

This review is undertaken by the Audit Committee and is part of the preparatory process for the Annual Governance Statement (see **paragraph 5.8** below). The Audit Committee receives assurance on the effectiveness of internal controls from the Head of Internal Audit. In addition, the effectiveness of the Internal Audit Service (as provided by Veritau Ltd since 1 April 2009) and the Audit Committee itself are reviewed annually.

5.6 Additionally, compliance with the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government* is reviewed annually by the Audit Committee.

5.7 Finally, annual reports are produced and published by

- the Standards Committee Chairman
- the Scrutiny Chairs
- the Audit Committee Chairman

* As required by Regulation 4 of the Accounts and Audit Regulations 2011.

The Annual Governance Statement

- 5.8 Following the annual review of effectiveness of the system of internal control an Annual Governance Statement (AGS)* will be published to accompany the Statement of Final Accounts for the County Council. The AGS will provide an overall assessment of the corporate governance arrangements in the County Council.
- 5.9 To reflect the County Council's commitment to the continuous improvement of its system of internal control an Action Plan is drawn up in response to any significant control weaknesses identified in the AGS. A follow up process is then overseen by the Corporate Governance Officer Group to ensure continuous improvement of the system of corporate governance. The Audit Committee monitors progress on this Action Plan.

Review of this Code

- 5.10 A review of this Code will be undertaken annually alongside the preparation of the AGS.

6.0 CONTACT DETAILS AND FURTHER INFORMATION

- 6.1 Further details of the County Council's Corporate Governance arrangements can be obtained on the County Council's website www.northyorks.gov.uk or by contacting the Corporate Director – Finance and Central Services (**see below**).
- 6.2 Finally, if you have any concerns about the way in which the County Council, its Members, Officers or agents conduct its business, or believe that elements of this Code are not being complied with, please contact one of the following Officers as appropriate. Your enquiry will be treated confidentially, and a response made following investigation of the facts in each case.

* As required by Regulation 4 of the Accounts and Audit Regulations (2011)

- (i) **Chief Executive (Head of Paid Service)**
Richard Flinton
North Yorkshire County Council
County Hall
Northallerton
North Yorkshire DL7 8AL
Telephone: 01609 532444 E-mail: richard.flinton@northyorks.gov.uk
- (ii) **Corporate Director – Finance and Central Services (Section 151 Officer)**
John Moore
Corporate Director – Finance and Central Services
North Yorkshire County Council
Racecourse Lane
Northallerton
North Yorkshire DL7 8AL
Tel 01609 532114 E-mail john.moore@northyorks.gov.uk
- (iii) **Assistant Chief Executive (Legal and Democratic Services)
(Monitoring Officer)**
Carole Dunn
Legal and Democratic Services
North Yorkshire County Council
Racecourse Lane
Northallerton DL7 8AL
Tel 01609 532173 E-mail carole.dunn@northyorks.gov.uk

CORPORATE GOVERNANCE

LOCAL CODE OF CORPORATE GOVERNANCE

ANNUAL GOVERNANCE STATEMENT

Ongoing Monitoring and Annual Review

Standards Committee

Audit Committee

Corporate Governance Officer Group

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

- Purpose and vision
- Communicating vision to partners
- Annual report on activities
- Measuring service quality
- Arrangements to deal with failure in service delivery
- Measuring VfM and the information supporting that
- Environmental impact

Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.

- Statement on roles and responsibilities of Executive
- Statement on roles and responsibilities of other Members and senior officers
- Scheme of delegation and powers
- Responsibilities of Chief Exec
- Protocol between Chief Exec and Leader
- 151 Officer responsibilities
- Monitoring officer responsibilities
- Member/officer protocols
- Remuneration of members and officers
- Effective mechanisms for monitoring service delivery
- Mechanisms for development of vision / strategies / plan and consultation / communication with community
- Roles / responsibilities in partnership working are clear
- Clarity on legal status of partnerships and understanding of authority of individual partners to bind their organisations

Principle 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- Leadership climate of openness, support and respect
- Officers code of conduct, Members code of conduct
- Conflict of interest, declarations of interest etc
- Shared values, leadership values communicated
- Systems and processes are designed with appropriate ethical standards
- Effective Standards Committee
- Values are guide for decision making and are basis for positive and trusting relationships within authority
- Partnerships have agreed set of values against which decision making can be judged – partners behaviour

Principle 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing of risk

- Effective Scrutiny function
- Mechanisms for documenting evidence for decisions / criteria / rationale / considerations
- Arrangements to safeguard against conflicts of interest
- Audit Committee independent of the Executive and Scrutiny arrangements
- Process to deal with complaints
- Information for decisions is fit for purpose
- Embedded risk management arrangements
- Effective whistle-blowing
- Powers are used lawfully and to full benefit of communities
- Specific legislation and statutory responsibilities are observed.
- Incorporating key principles of good administrative law into procedures and decision making processes.

Principle 5 Developing the capacity and capability of members and officers to be effective

- Induction programmes and updates for Members and officers
- Statutory officers have skills, resources and support to be effective and their roles are understood
- Skills assessment and development for officers and members
- Develop skills on a continuing basis and use outside experts when needed
- Arrangements for reviewing the performance of the Executive and of individual members with action plan
- Arrangements for encouraging the community to engage and contribute
- Career structures for members and officers

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

- Clarity of accountability
- Effective relationships with institutional stakeholders
- An annual report on the scrutiny function
- Clear communication with the community and other stakeholders with monitoring arrangements
- Public meetings except for confidentiality
- Community engagement arrangements
- Policy on issues for consultation and feedback mechanisms
- Annual performance plan and outcomes
- Open and accessible Council
- Staff consultation and involvement in decision making.

D R A F T

Annual Governance Statement

2011/12

Approved by Audit Committee 28 June 2012

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1.0 SCOPE OF RESPONSIBILITY

- 1.1 North Yorkshire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The County Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall duty the County Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and establishing a sound system of internal control and arrangements for the management of risk.
- 1.3 The **Local Code of Corporate Governance**, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* is reviewed annually. The current version was agreed by the Audit Committee in June 2011 and approved by the County Council in July 2011. A copy of the Code is available on the County Council's website ([_www.northyorks.gov.uk_](http://www.northyorks.gov.uk)) or can be obtained from the office of the Corporate Director – Finance and Central Services (telephone 01609 532114 or email john.moore@northyorks.gov.uk). The Code will be reviewed by the Audit Committee in June 2012 to ensure it is compatible with any developments identified in this **Annual Governance Statement** for 2011/12.
- 1.4 This Statement explains how the County Council has complied with its Local Code and also meets the requirements of Regulation 4(3) of the Accounts and Audit Regulations 2011 in relation to the publication of an **Annual Governance Statement**.
- 1.5 This Statement also confirms that the financial management arrangements within the County Council comply with the governance requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government(2010)*. (See **Section 4** for full details).

North Yorkshire Pension Fund

- 1.6 The governance arrangements and Final Accounts of the North Yorkshire Pension Fund (NYPF) are now audited separately from the County Council. However, because the NYPF is administered by the County Council, the governance arrangements of the County Council also apply to the NYPF. This Statement therefore also forms part of the governance framework for the NYPF. However, there are also a number of additional documents that relate solely to the governance arrangements of the NYPF – these are **NOT** referred to further in this Statement as they relate only to the governance of the NYPF. For further details of the specific governance arrangements of the NYPF please refer to the NYPF website (www.nypf.org.uk).

2.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The Governance Framework as detailed in the Local Code comprises the systems and processes, the culture and values, by which the County Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the County Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The **system of internal control** is a significant part of that Framework and is designed to manage risk to a reasonable level rather than try to eliminate all risk of failure to achieve policies, aims and objectives. Because it is not possible to eliminate all risks, the system of internal control can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise the risks that threaten the achievement of the County Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and then to manage them efficiently, effectively and economically.
- 2.3 The overall Governance Framework, and in particular the system of internal control, described in this Statement, has been in place within the County Council for the year ended 31 March 2012 and up to the date of approval by the Audit Committee of this Statement alongside the Statement of Final Accounts (in June 2012).

3.0 THE GOVERNANCE FRAMEWORK

- 3.1 The requirement to have a robust and resilient governance framework and sound system of internal control covers all aspects of the County Council's activities. For the purposes of this Statement, the policies, procedures and operations that taken together create the overall governance framework are grouped under the following headings -
- (a) identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users
 - (b) reviewing the authority's vision and its implications for the authority's governance arrangements
 - (c) measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources
 - (d) defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication
 - (e) developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

- (f) reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks
- (g) ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government (2010)*
- (h) undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committee – Practical Guidance for Local Authorities*
- (i) ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- (j) whistle blowing and for receiving and investigating complaints from the public
- (k) identifying the development needs of members and senior staff in relation to their strategic roles, supported by appropriate training
- (l) establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation
- (m) incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

3.2 The main features of each of these contributory components are as follows -

(a) identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

- the **Council Plan** sets out the long term objectives of the County Council. It is the overarching policy statement through which the County Council will deliver its ambitions, improvements, services and functions over the medium term. It is reviewed annually in a process that is linked to the updating of the Medium Term Financial Strategy. The 2011/14 Council Plan identified the priorities for improvement and was linked to the **North Yorkshire Community Plan**. An updated Plan for 2012/15 has recently been approved by the County Council

- the **Medium Term Financial Strategy** (MTFS) sets out how the County Council will finance the Council Plan over the medium term. The Strategy that covers the period 2011/14 was approved by the County Council in February 2011 – it also incorporated the annual Revenue Budget for 2011/12. This Budget process was challenging due to the significant reduction in grant funding available. Achievement of the necessary savings will be a priority for the County Council over the forward 2011/14 period.

Equivalent documents for the period 2012/15 and the year 2012/13 were approved by the County Council in February 2012

- **paragraph 3.2(I)** for details of how the County Council communicates with the community, other stakeholders and its staff

(b) reviewing the authority's vision and its implications for the authority's governance arrangements

- as indicated in **paragraph 3.2 (a) above**, the key corporate strategy documents (ie the **Council Plan, Medium Term Financial Strategy** and **Revenue Budget**), are reviewed and updated annually
- the Terms of Reference of the Audit Committee require it to maintain an ongoing assessment of the adequacy and effectiveness of the internal control processes within the County Council. The published Work Programme for the **Audit Committee** includes provision to review the impact of changes to service delivery and / or management processes on the governance arrangements of the County Council
- the **Members' Constitution Working Group** supported and advised by the **Monitoring Officer** review all aspects of the Constitution on an annual basis. The 2012 review was reported to the Executive on 26 April 2012

(c) measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources

- there is an **integrated Service Planning and Budget Process** under which each Service Unit in each Directorate prepares a Service Performance Plan which sets out its detailed objectives, performance targets, available resources and risk assessment. These feed into both the Council Plan and the annual Budget/MTFS process
- the **Performance Management framework**, developed since the Comprehensive Performance Assessment (CPA) in 2002, continues to be refined. There is quarterly reporting of key performance indicators to Management Board and a joint meeting of Executive and the Scrutiny Committee Chairs. Risks to the achievement of key objectives are highlighted via a quarterly 'traffic lights' report to enable Management Board / Executive to take action to manage those risks. Performance

monitoring is fully integrated with routine personnel, budgetary and savings plan monitoring so that the Executive can rely on the provision of correct and current information for decision making. This is supported by more frequent reporting and monitoring processes within Directorates

- **comprehensive budgeting systems** are applied consistently across all Directorates
- the County Council outperformed the Government's **Annual Efficiency (Gershon)** targets. A three year Value for Money Plan (targeting 3% pa) covering the period 2008/11 was successfully completed. Ongoing savings targets (which include efficiency items) are now incorporated in the overall MTFs; targets were achieved in 2011/12
- independent statistics continue to show that the County Council is a low spending but high performing authority. The annual Budget process includes a specific exercise to relate performance data with that regarding unit costs
- a number of **corporate work streams** (the **One Council** change programme) are in place to develop and implement a single operating model and consistent processes for a range of infrastructure and support arrangements including procurement, ICT applications, management structures and hierarchies, key administrative and business processes, use of flexible/mobile working, an aggressive accommodation review, and consideration of employee terms and conditions. The 4 year programme started in 2011/12 and is targeted to achieve total recurring savings of £69m; the target for 2011/12 was £36.9m and savings of £39.7m were achieved
- an **Asset Management Strategy** has been in place since 2006. In addition to the redefinition of key corporate processes (eg purchasing and disposal of property) the adoption of a corporate approach to repairs/maintenance combined with up to date condition data, etc, has provided a foundation for a systematic approach to property improvement based upon the needs of the services (both users and providers). A Capital Project Management system (Gateway) has been implemented to improve the delivery of larger projects. The system is integrated with the job management system (PMCS) used by the County Council's property adviser, Jacobs UK; this integration means there is now a single source of data relating to projects, shared by the County Council and its principal adviser on property matters. The Corporate Asset Register system has been upgraded and has shared access for County Council and Jacobs' UK staff. The Executive also receives an **Annual Property Performance report** that details the progress made on key indicators relating to property and asset management
- the County Council's improvement priorities, as set out in the Council Plan and in its service performance plans and strategies, are **reviewed regularly** throughout the year. This is achieved through -

- ➔ quarterly reports on key service performance indicators plus corporate issues such as personnel, finance and commendations / complaints are considered by Management Board, the Executive and Chairs of the Overview and Scrutiny Committees
- ➔ regular reports to Corporate Directors and Executive Portfolio Holders
- ➔ publication of an **Annual Report on Overview and Scrutiny** by the Scrutiny Board

(d) defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

- **Corporate Governance** (C-Gov) framework encompasses, defines and quality assures the various systems by which the County Council directs and controls its functions and relates to the North Yorkshire community. It is therefore the totality of the policies, management systems, procedures and structures that together determine and control the way in which the County Council manages its business, formulates its strategies and objectives and sets about delivering its services to meet those objectives, for the greater good of the community of North Yorkshire. The County Council aims to incorporate the principles of C-Gov into every dimension of its business to ensure that all stakeholders can have confidence in the decision-making and management processes of the authority, and in the conduct and professionalism of its Elected Members, officers and agents in delivering services. The **Local Code of Corporate Governance** defines these values and expresses the approach adopted by the County Council. Adherence to this Code is overseen and monitored by the Audit Committee. In addition, the C-Gov Officer Group meets quarterly to update its C-Gov self-assessment checklist and monitor progress, especially in addressing areas identified to be in need of improvement. The Local Code is reviewed annually alongside the preparation of this Statement
- additionally, the **Standards Committee** works on those areas of governance which fall within its remit. It is primarily concerned with standards of conduct for elected Members, the promotion of the principles in the Member Code of Conduct and the promotion of high ethical standards throughout the authority
- to ensure full compliance with the *Good Governance Standard for Public Services* and the CIPFA SOLACE *Delivering Good Governance in Local Government Framework*, the C-Gov Officer Group continues to maintain and regularly update, a **Self Assessment Check List** covering the whole internal control agenda. As part of this process, a central record of key internal control weaknesses identified within the internal control environment is prepared which inputs to this Annual Governance Statement.

- the **Constitution** sets out how the County Council operates, how decisions are made and by whom, and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution also embraces the detailed Contract, Financial and Property Procedure Rules, Scheme of Delegation, Codes of Conduct, etc. These are reviewed and updated on a regular basis to ensure they are consistent with the contemporary operating requirements of the County Council (see **paragraph 3.2(b)** for further details)
- all 72 Councillors meet together as the **Council**. Meetings are open to the general public. At its annual meeting in May each year the Council appoints its Chairman. The Leader and the Executive are appointed at the annual meeting in an election year. The Council is responsible for setting the budget and policy framework of the County Council
- the **Executive** is responsible for taking the decisions that implement the policies of the County Council. If the Executive wishes to make a decision outside the policy framework (including the Budget) set by the Council, this must be referred to the Council as a whole to decide. Each Member of the Executive has a portfolio responsibility that relates to a specific area(s) of the County Council's services and responsibilities. The Executive meets formally at least once a month but will hold informal meetings on a more regular basis as required to progress the business of the authority
- the **Management Board** (which comprises the Chief Executive and all Corporate Directors plus Assistant Chief Executives) is responsible for implementing all County Council policies and decisions, providing advice to Members, for co-ordinating the use of resources and the work of the Directorates. Circumstances permitting, the Management Board meets weekly
- there are four **Overview and Scrutiny Committees** that support the work of the Council and the Executive, together with a Scrutiny of Health Committee. Their roles and responsibilities are detailed in Article 6 of the Constitution
- **Statutory Officers / Codes and Protocol** – the County Council employs officers to give advice, implement decisions and manage the day-to-day delivery of its services. Certain officers have a designated specific duty to ensure that the County Council acts within the law and uses its resources wisely (**see paragraphs 3.2 (f) and (g) below**). A Protocol on Member / Officer relations, is part of the Constitution and, amongst other documents, governs the relationships between Officers and Members of the Council.
- pursuant to its powers under Section 101 of the Local Government Act 1972 the Council arranges for certain of its functions to be discharged by officers of the Council as set out in the **Officers Delegation Scheme**

(e) developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

- Elected members have to agree to follow a **Code of Conduct** to ensure high standards in the way they undertake their duties. Members must complete a **Register of Interests** which is publicly available. The County Council has established a **Standards Committee**, which trains and advises councillors on the Code of Conduct and monitors its operation. Members have also undergone voluntary CRB checks. Finally, the Committee has in place procedures for the assessment, investigation and determination of complaints against Members and a procedure for granting dispensations.
- there is a **Local Code of Corporate Governance** in place that is fully consistent with the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. The Local Code defines -
 - ➔ the fundamental values and principles of corporate governance
 - ➔ the corporate governance framework and arrangements to deliver it within the County Council
 - ➔ arrangements for annual review and reporting of the framework
- **Registers of interests, gifts and hospitality** are also maintained for Members and officers. Details of **Related Party Transactions** are sought from all Members and senior officers

(f) reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

- as explained in **paragraph 3.2(d) above**, the **Constitution** sets out how the County Council operates, how decisions are made and by whom, and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution also embraces the detailed Contract, Financial and Property Procedure Rules, Scheme of Delegation, Codes of Conduct, etc. These are reviewed and updated on a regular basis to ensure they are consistent with the contemporary operating requirements of the County Council (see **paragraph 3.2(b)** for further details)
- as indicated above, the Council has approved **Budget and Policy Framework Procedure Rules, Contract Procedure Rules, Financial Procedure Rules, and Property Procedure Rules**

The purpose of these rules is to set out a framework within which the County Council conducts its business affairs. These rules are applied and monitored by the Corporate Director – Finance and Central Services and are designed to ensure that proper financial arrangements are in place and operational at all times across the County Council. They are reviewed by the Audit Committee on an annual basis

- **independent monitoring** of all the above by the Monitoring Officer, Section 151 Officer and Internal Audit Service on a regular basis
- the County Council's comprehensive, well established and award winning approach to **risk management** is laid out in the Corporate Risk Management Policy and its associated Strategy. These documents were reviewed in 2011/12. Implementation of the Action Plan is overseen by the Corporate Risk Management Group chaired by the Corporate Director – Finance and Central Services. Risk Registers are prepared and maintained at Corporate, Directorate and Service Unit levels. The generic risk assessment methodology is also applied to specific projects or areas of policy development (eg Highways Maintenance Contract 2012). The **risk prioritisation process** is designed to identify key risks that are a threat to the achievement of objectives, evaluate risk controls and ensure risk reductions are embedded within Service Performance Plans
- a **standard template for all Executive / Committee reports** has been introduced that requires any report proposing a new / change in policy, and / or the commitment of significant expenditure, contains a risk assessment prepared using the corporate methodology referred to above
- a risk-based **Service Continuity Planning** process has been developed to enable the County Council to fully comply with the requirements of the Civil Contingencies Act 2004. Roll-out at Service Unit continued in 2011/12 linked to specific work that is being done in generic risk areas. Generic areas that have been targeted include IT resilience and office premises, both of which link into wider strategies (ie Information Governance Framework and Bright Office Strategy)

(g) ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

- The **statutory duties of the Corporate Director – Finance and Central Services** in relation to financial management derive from five principal sources:
 - ➔ Section 151 of the Local Government Act 1972
 - ➔ Section 114 of the Local Government Financial Act 1988
 - ➔ Local Government Act 2000 (particular decisions contrary to policy or budget)
 - ➔ Local Government Act 2003 (prudential limits for borrowing and investment)
 - ➔ Accounts and Audit Regulations 2011

The Corporate Director – Finance and Central Services (CD-F&CS) drafts a **Medium Term Financial Strategy** and presents it annually to the Executive and the Council; linked to this Strategy are the detailed **Revenue Budget, Savings Plan, Capital Plan, Treasury Management arrangements and Prudential Indicators**

The CD-F&CS is responsible for determining the accounting procedures, the form of financial records and statements and for maintaining the financial accounts of the County Council. The CD-F&CS also ensures that proper accounting arrangements are established in all Directorates. Individual Corporate Directors are responsible for the satisfactory operation of financial and accounting systems, and associated controls, within their Directorates – this responsibility is defined in the Financial Procedure Rules.

To support this process, there is an Assistant Director (qualified as an Accountant) allocated to each Directorate with specific responsibility for financial matters. The postholder sits on the Management Teams of both the Service Directorate and of Finance and Central Services.

It is the duty of all Service Managers within Directorates to plan and manage their budgets to meet the agreed bottom line budget figure for their Service Unit. This includes ensuring that adequate arrangements exist for monitoring revenue and capital budgets throughout the year, and taking action to adjust the budget to ensure that overall control of expenditure is maintained. The CD-F&CS is responsible for submitting a quarterly report to Executive on the overall Revenue Budget / Capital Plan position; this report is part of the Quarterly Performance and Improvement reporting arrangements referred to in **paragraph 3.2(c) above**

The CD-F&CS prepares and publishes an annual **Statement of Final Accounts** that conforms to all statutory and professional requirements, codes of practice and timetables

- the CD-F&CS is the Chief Financial Officer (CFO) for the purposes of compliance with the CIPFA Statement referred to in **paragraph 1.5** above
- the **external auditor** for 2011/12 appointed by the Audit Commission is Deloitte: they will publish an Annual Audit Letter on the completion of their audit that follows the end of each financial year
- under the Accounts and Audit Regulations 2011, the County Council has a legal responsibility to provide an adequate and effective **internal audit** of its records and control systems. The Council has delegated this responsibility to the CD-F&CS who provides the service through Veritau*

Using a risk assessment methodology, the Head of Internal Audit produces an **Annual Audit Plan** for approval by the CD-F&CS. It is also endorsed by the Audit Committee; progress against this Plan is reported quarterly to the CD-F&CS and to the Audit Committee.

In addition to carrying out the work specified in the Annual Audit Plan, Veritau* also provides –

- ➔ advice and assistance to service managers in the design and implementation of internal controls
- ➔ support to managers in the prevention and detection of fraud, corruption and other irregularities
- ➔ development of the Information Governance Framework and the provision of advice and guidance on information governance related matters.

The Head of Internal Audit provides an **audit opinion**, based on the level of assurance gained by the work carried out, for each audit undertaken.

At the end of the financial year, a summary of the audit work carried out is reported to each Corporate Director and an audit opinion, based on the overall level of assurance, is given for each Directorate. In each case these reports are cross referenced to the Directorate Risk Register and an **annual Statement of Assurance provided by the Corporate Director**. The **Head of Internal Audit also submits an Annual Report** to the Audit Committee that includes his overall opinion on the adequacy of the internal control environment for the County Council as a whole.

*see note in **paragraph 3.2(i)** below. The Head of Internal Audit is the CEO of Veritau

(h) undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities

- a separate Audit Committee has been in operation since April 2006. (**See Section 6 below**). A key role of the Audit Committee is to act as the responsible body charged with ensuring that a sound system of internal control operates throughout the County Council. In doing so, it provides independent assurance to the Council on the adequacy of the risk management framework and the associated control environment and independent scrutiny of the County Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. It also oversees the Procedure Rules that relate to Contracts, Finance and Property matters as well as the Information Governance and Counter Fraud arrangements. Since 2009/10 it has also become involved in satisfying itself that the Treasury Management activities of the County Council are fit for purpose and from 2012/13 will periodically assess the governance implications of changes to business processes arising from the implementation of the One Council transformation programme (see **paragraph 3.2(c)** above)

(i) **ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

- the Assistant Chief Executive (Legal and Democratic Services) is currently the officer designated by the County Council as the **Monitoring Officer** and is responsible for performing the duties imposed by **Section 5** of the **Local Government and Housing Act 1989** which relate to ensuring the legality of the Council's operations and the duties in the Local Government Act 2000 relating to the promotion of ethical standards. The Monitoring Officer is a member of the Management Board and attends and monitors decision making at the County Council, Executive and all Committees
- the Corporate Director – Finance and Central Services is the Chief Financial Officer for the purposes of S.151 of the Local Government Act 1972 (see **paragraph 3.7(g)** for further details)
- the requirements of the **Data Protection** and **Freedom of Information** legislation are co-ordinated by an Information Governance Team (part of Veritau) which, working in conjunction with the Records Management Officer, assist the Corporate Director – Finance and Central Services in developing and implementing a comprehensive Information Governance Framework
- the County Council now operates an **Information Security Management System** which complies with the requirements of ISO/IEC 27001 (Information Security) Official Certification was received on 31 January 2011. Work to maintain this standard is coordinated by the Information Security Officer working in conjunction with the Information Governance Team. Compliance was re-certified during 2011/12
- the Corporate **Health and Safety** Policy was comprehensively rewritten in 2010 taking into account recent HSE guidance relating to local authorities, and a fresh Action Plan established. Corporate and Directorate Action Plans have been recast in line with the updated Policy. New procedures in relation to performance monitoring and workplace inspections are being developed linked to web based assessment tools and learning materials
- the County Council approved a revised **Equality Statement** in February 2012 . The County Council has also published equality information and objectives as required by the Equalities Act 2010
- **Internal Audit** arrangements operate to best practice professional standards. The annual work programme is set out in an Audit Plan following the production of an Audit Risk Assessment and consultation with individual Directorates and the External Auditor. The Audit Committee approves the Audit Plan and receives, thereafter, regular reports on its progress. The Head of Internal Audit expresses an opinion on the controls in place for each Directorate on an annual basis; he also submits an Annual Report to the Audit Committee which includes his

overall opinion for the County Council as a whole. During 2011/12, the Audit Plan included an increased number of audits on corporate themes (eg personnel, information governance, service continuity); such audits are key to providing the appropriate assurance to the County Council that its overall governance arrangements remain effective.

Note – a company, Veritau, was established in April 2009 to provide internal audit and a range of related services to both the City of York Council and the County Council. Both authorities own a 50% share of the company with existing staff and facilities transferring to the company on that date. For governance purposes, Veritau reports to the Audit Committee in the same way as its in-house predecessor.

(j) whistle blowing and for receiving and investigating complaints from the public

- the County Council has approved and implemented a formal **Whistleblowing Policy** and **Counter Fraud Strategy**; these are reviewed annually by the Audit Committee
- the County Council has a **complaints procedure** that is advertised by leaflets and on its website. The procedure includes targets for acknowledging and responding to complaints in full.

(k) identifying the development needs of members and senior staff in relation to their strategic roles, supported by appropriate training

- developing the skills of Members is being targeted through a **Member Development Programme**, a dedicated online learning site and a suite of resources and training events. There is also a specific induction programme for any newly elected Members(s)
- the corporate **Workforce Plan** is supported by Directorate specific Workforce Development Plans which identify all developments and training requirements (including mandatory and regulatory) as well as individual needs, resulting from annual appraisals. The Plans detail how the needs of staff will be met and are reviewed, evaluated, and amended as necessary.

(l) establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

- **Elected members** have a significant role to play in ensuring compliance and propriety, either collectively (eg through the work of the Overview and Scrutiny Committees), and individually as local representatives, providing feedback from their constituents

- the County Council communicates the Vision of its purpose and intended outcomes for all stakeholders to enable accountability and encourage open consultation. To enable this, analysis of the County Council's stakeholders is undertaken and **relevant and effective channels of communication** are developed. Key mechanisms include –
 - ➔ publishing a Council Plan and annual Statement of Final Accounts to inform stakeholders and services users of the previous year's achievements and outcomes
 - ➔ engagement with strategic partners through the publication of the North Yorkshire Community Plan and delivery of priority outcomes.
 - ➔ opportunities for the public to engage effectively with the County Council including attending meetings
 - ➔ a Citizens' Panel of 2000 residents who are consulted on a wide range of issues twice a year
 - ➔ consultation toolkit that provides advice to all staff about how to consult effectively
 - ➔ an engagement promise setting out in simple terms how everyone who lives or works in the county, or uses the County Council's services can influence decisions relating thereto
 - ➔ maintaining a County Council website that provides access to information, delivers services and opportunities for public engagement, including delivery of information required by the transparency agenda
 - ➔ developing social media to inform and engage with residents on development of services, provision of information, responding to concerns and issues, etc
 - ➔ publication of an e-newsletter, available by subscription or through the council website, covering news and information about the County Council and its services; there are currently over 4000 subscribers
 - ➔ a trial partnership with 6 local newspapers to provide a monthly round-up of news and information specific for the local area, for local readers
 - ➔ communicating and engaging with staff across the County Council, through a number of different internal communications channels

(m) incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

- for **partnerships**, the County Council has implemented a self assessment template that identifies if all the necessary governance procedures are in place relative to the level of risk that any failure or underperformance by the Partnership represents to the County Council
- a process to review, and report annually to the Corporate and Partnerships Overview & Scrutiny Committee, Executive and Audit Committee on the work and performance of partnerships was introduced in 2010/11, and has been refined through 2011/12
- where the County Council is a substantial **equity holder in a company** (ie NYnet, Veritau, Yorwaste) it will ensure appropriate governance arrangements are in place both within the company and as between the company and the County Council. These will be based on the Local Code but also take into account the operational circumstances of the company. A requirement to report on the Business Plans and financial performance of these companies was introduced in 2011/12. It will report to both the Executive and Audit Committee

4.0 ROLE OF THE CHIEF FINANCIAL OFFICER

- 4.1 In the County Council the Corporate Director – Finance and Central Services fulfills the role of the CFO as defined in the CIPFA Statement referred to in **paragraph 1.5** above.
- 4.2 A full assessment of the criteria in the CIPFA Statement was undertaken for the 2009/10 AGS. Based on an annual self-review, the opinion of the Corporate Director – Finance and Central Services is that the County Council fully complies with the Statement. The Audit Committee has concurred with the professional opinion of the CFO on the *Role of the Chief Financial Officer in Local Government* (2010) as it applies to the financial year 2011/12.

5.0 REVIEW OF EFFECTIVENESS

- 5.1 Under the Accounts and Audit Regulations 2011, the County Council has responsibility for formally conducting, at least annually, a review of the effectiveness of the system of internal control.
- 5.2 On behalf of the Audit Committee, and in conjunction with Corporate Directors and senior officers, the C-Gov Officer Group, (which includes the Monitoring Officer, Section 151 Officer and the Head of Internal Audit) reviews matters relating to the internal control environment of the organisation on a regular and ongoing basis by referring, amongst others, to the work of

- ➔ the Executive
- ➔ the Management Board
- ➔ the Corporate Directors and their Service Unit Heads in the individual Directorates
- ➔ the Internal Audit function (as carried out by Veritau) and the Insurance & Risk Management Section
- ➔ the Standards Committee
- ➔ the Audit Committee
- ➔ the External Auditor (Deloitte LLP) and other external inspectorates

5.3 In relation to the Management Board, all of the Corporate Directors have prepared and signed individual **Statements of Assurance** for 2011/12 relating to the internal control procedures, and the review thereof, in their service areas. In addition the Chief Executive has prepared and signed a further Statement of Assurance on behalf of himself and the Management Board as a whole.

5.4 This ongoing review of the effectiveness of internal control systems is also informed by the work of Veritau who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

5.5 The Audit Committee undertakes an annual review of the effectiveness of internal audit. (**See Section 6.2 below.**)

6.0 **ACTIVITIES OF THE AUDIT COMMITTEE**

6.1 During 2011/12 the Audit Committee met five times and -

- ➔ approved the Internal Audit work plan
- ➔ considered the annual fraud and risk loss assessment
- ➔ considered all the work done by Veritau* throughout the year. Where appropriate reassurance was requested from Corporate Directors that issues identified by this work were being corrected as a priority
- ➔ ensured that the ongoing work in relation to improvement issues on Corporate Governance, Information Governance and Risk Management, was progressing
- ➔ considered the proposed Audit Plan of the External Auditor and reviewed any reports they have produced concerning the financial statements of the County Council
- ➔ held separate one to one meetings with the External Auditor and the Head of Internal Audit
- ➔ reviewed the Contract , Finance, and Property Procedure Rules of the County Council
- ➔ considered the Treasury Management arrangements of the County Council and made recommendations for improvement to the Executive

- ➔ reviewed the counter fraud, whistleblowing and anti-money laundering policies of the County Council
- ➔ reviewed an Annual Report from the Head of Internal Audit expressing his opinion on the overall controls operating within the County Council. This report also highlighted the significant breaches of Procedure Rules found by Veritau* during the year and the steps taken by management to address them
- ➔ agreed the Statement of Final Accounts submitted by the Corporate Director – Finance and Central Services following robust challenge of the accountancy principles adopted

6.2 In addition the Audit Committee has

- ➔ undertaken a reassessment of the operation of the Audit Committee itself to ensure it complies to the best practice recommended by CIPFA
- ➔ undertaken a review of the effectiveness of the County Council's internal audit arrangements as required by the Accounts and Audit Regulations 2011
- ➔ reviewed the Terms of Reference of the Internal Audit Service (as provided by Veritau)
- ➔ driven progress towards developing an Information Governance Framework for the County Council and considered performance in dealing with Freedom of Information requests within the statutory deadline
- ➔ reviewed the assessment of compliance with the CIPFA Statement on the **Role of the Chief Financial Officer in Local Government (2010)**

6.3 All this work has been used in supporting the preparation of the County Council's (ie this) Annual Governance Statement for 2011/12.

7.0 SIGNIFICANT GOVERNANCE ISSUES

- 7.1 The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the County Council's objectives have been mitigated.
- 7.2 On the basis of the review work carried out it was considered that the majority of the internal control arrangements were operating adequately in the financial year 2011/12. **There were, however, some areas identified which require attention to address weaknesses and ensure continuous improvement of the system of internal control; included within this definition are issues related to service delivery, the satisfactory achievement of which will depend in some measure on changes to / improvements in internal control systems.** Having regard to the published guidance on internal control matters, these are disclosed in the Table below.

7.3 As part of preparing the Table below, a review was undertaken of the issues identified in the equivalent Table in the 2010/11 Annual Governance Statement. Some of these issues were not fully resolved in 2011/12, but all of these “incomplete” issues have reappeared in the Statements of Assurance for 2011/12 prepared by Corporate Directors. Therefore, the items included in the Table below represent a complete list of “issues requiring attention” in 2012/13

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A1	<p>Economic Development</p> <p>Provide support to the YNYERLEP through</p> <ul style="list-style-type: none"> • acting as Accountable Body • providing the professional / technical input to facilitate appropriate use of funding / strategic way forward <p>Ensure compliance with funder requirements on conditions relating to specific funding allocations.</p>	<ul style="list-style-type: none"> (a) Review the proposals to the LEP ensuring compliance with NYCC requirements, and monitor ongoing arrangements (b) Continue to facilitate, advise and deliver the actions agreed at the LEP Board (c) Monitor progress against targets and retain appropriate records to ensure funding is achieved
A2	<p>Waste management procurement and performance</p> <p>Continue to deliver the Waste Strategy for the County including</p> <ul style="list-style-type: none"> • progressing the Waste PFI procurement to financial close • leading the YNY Waste Partnership in delivering updated Strategy for minimisation, reuse, recycling and disposal 	<ul style="list-style-type: none"> (a) Regular review of funding and Unitary Charge protocol to ensure project is value for money and affordable (b) Continue to identify opportunities to improve recycling performance and improved efficiencies in collection and disposal methods (c) Continue to progress the development of infrastructure outside the PFI project (d) Continue to work with Yorwaste to develop and deliver a strategy for effective management of waste disposal across North Yorkshire

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A3	<p>Delivering the One Council Change Programme resulting in financial savings and a more fit for purpose organisational approach to meet service demands in the future.</p>	<p>The One Council Change Programme has been approved by the Council. It is charged with moving to more joined up ways of working across the Council as well as delivering £7.6m of recurring savings. The emphasis is now on delivering the Programme following a period of intensive development of workstreams and cross cutting issues.</p> <p>(a) Implementation commences on the workstreams (as already identified).</p> <p>(b) Review of governance and programme arrangements to deliver optimal approach at workstream, programme and Member level.</p> <p>(c) Refreshed and comprehensive Communication Plan to set out how staff, Members and customers will be involved.</p> <p>(d) Review of the One Council Vision and Strategy to produce a more detailed operating manual for the Council that sets out <u>how</u> the Council will operate in order to deliver the Council Plan.</p> <p>(e) On-going assessment of the Programme including Management Board, Workstream Boards, Overview and Scrutiny Committee, Audit Committee and the Executive.</p> <p>(f) Changes to policies and procedures to reinforce the One Council way of working including:-</p> <ul style="list-style-type: none"> • Performance management framework • Behaviour and skills framework for staff • Staff development programmes <p>(g) Improving the ways of working to deliver greater customer satisfaction. This will include a revised Customer Strategy led by the Customer Access workstream.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A4	<p>Reviewing the Corporate Performance Management Framework in order to -</p> <ul style="list-style-type: none"> • underpin the One Council values and principles • embed a culture of individual / team ownership of performance • identify areas for improvement, and • refresh reporting arrangements across the Council and with Members • reflect the existing national reporting requirements 	<p>Changes have already been made to performance management arrangements as a result of changes from government and a wish to ensure that arrangements are appropriate. Further work has already been done to set out how performance issues are addressed at team level so the next stage is to implement an embed across the Council</p> <ul style="list-style-type: none"> (a) production and approval of an updated Council Performance Management Framework (b) capturing of performance activity at team level across the Council which is aimed and understood by teams and is then used to guide continuous improvement (c) further revision of service performance planning arrangements alongside Council Plan and team based performance arrangements (d) review of quarterly performance monitoring reports and the introduction of revised arrangements following discussion with Members of Management Board
A5	Safeguarding	<p>Since the crisis in Haringey over the death of Baby Peter, all authorities and other agencies working with children, including North Yorkshire, have needed to respond to the challenges of -</p> <ul style="list-style-type: none"> • increased expectations on all aspects of safeguarding • an increase in the number of assessments which Social Care staff have to undertake • an increase in the number of children placed into care. <p>Additional resources provided by the Council have included -</p> <ul style="list-style-type: none"> • additional provision for child placement in 2010/11 of at least £1.25m • provision in 2009/10 for 9 additional Social Workers with further provision for 12 extra Social Workers in 2010/11 (in aggregate an additional budget provision of £800k) <p>Work continues to improve the efficiency and effectiveness of the placements strategy and this will be consolidated in 2012/13. The expected outcomes of this are factored into efficiency savings – with no impact on service quality – in the later years of the MTFS.</p> <p style="text-align: right;"><i>/cont...</i></p>

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
		<p>Added to this are pressures arising from the numbers of:</p> <ul style="list-style-type: none"> • children going through the Common Assessment Framework • older children in the care system with higher levels of need • vulnerable teenagers <p>The Directorate will also seek to monitor and react to programmes for homelessness amongst young people, while recognising the strains being placed on partner organisations through external pressures, and recognising the risks to funding such as that for Supporting People.</p>
A6	<p>Demand outstrips budget provision for adult social care</p>	<p>The Directorate has developed a resource predictive model based on nationally approved population, demographic trend analysis. These tools and techniques have been used to create a forecasting model to predict the pattern and anticipated cost which could occur within the County. Based on this model it is estimated that the incremental demand cost could be approx £3m per year for the foreseeable future; this equates to an additional 500 clients.</p> <p>In response to this pressure the County Council has provided, within the Medium Term Financial Strategy, incremental budget provision of £3m per annum. This provision will be regularly reviewed to ensure it is responsive to fluctuations of price and number of people being supported and this will in turn feed into the revised budget projections.</p> <p>There is also an emerging financial challenge relating to other authorities exercising ordinary residence rights of clients living within the North Yorkshire boundary which results in NYCC becoming responsible for the person's care and financial liability. This is a significant risk because of the 2 large community villages within the County which provide accommodation for in excess of 150 people and the FE college for visually impaired people in Harrogate.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A7	Personalisation and Think Personal Act	<p>The Directorate has made significant progress in this area in relation to the milestones required by the Department of Health. More recently the Authority has also signed up to 'Making it Real programme' which is a public statement of actions required to develop the personalisation agenda. The progress against plan will be monitored and published on the website.</p> <p>This is a challenging agenda which will also be performance monitored by the number of clients receiving a personal budget. The target is 100% by the end of 2013. The greater challenge then relates to increasing the number of people who take up a direct payment and decide to manage their own care.</p> <p>The administrative arrangements for direct payments are currently being reviewed in light of experience and to simplify the supporting paperwork. It is hoped that this will remove internal barriers which may have been a stumbling block for staff and lead to improved referral rate for clients choosing to take up a Direct Payment.</p> <p>In addition 6/8 week reviews are being introduced to ensure that Direct payment recipients are managing their personal care and financial arrangements more effectively. This check will provide an earlier warning of potential problems or where additional support is required.</p> <p>As part of the recent AIS updates the next phase of system development will be to utilise the needs assessment questionnaire. This will further simplify the processes within the Directorate and improve the speed at which people can be informed of their indicative personal budget.</p> <p>The charging policy was revised to bring this in line with personalisation guidelines issued by Dept of Health. This took place from May 2011. There has been a small increase in the number of complaints and some clients who have made choices about their care requirements once the financial assessment has been completed. These situations continue to be monitored and a report will be presented to Care and Independence Overview and Scrutiny in the Autumn 2012.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A8	<p>The changing Health Agenda is complex. The new systems must not adversely impact on the health and wellbeing of citizens of the County</p>	<p>As the largest Local Authority in the area now assuming a key role in relation to Health and Public Health Services the County Council must provide strategic leadership on this agenda ensuring the new structures work effectively and raising concerns when they do not with partners.</p>
A9	<p>Medium Term Financial Strategy</p> <ul style="list-style-type: none"> • need to validate funding assumptions and achieve targeted savings through the 3-year period 2012/15 	<p>In addition to funding uncertainties, the MTFS for the period 2012/15 reflects the need for substantial savings in order to “balance the books”.</p> <p>There is an approved and detailed savings matrix for 3-year period; the matrix includes savings from the One Council change programme.</p> <p>Achievement of the savings is monitored by Management Board on a regular basis and reported to the Executive as part of the Quarterly Performance Monitoring report.</p> <p>All the key assumptions used in the current MTFS are monitored on an ongoing basis. Any material variations will be reported to the Executive so that appropriate action can be taken as considered necessary.</p>
A10	<p>Information Governance</p> <ul style="list-style-type: none"> • need to maintain roll-out of the Information Governance Framework Action Plan 	<p>The Corporate Information Governance Group (CIGG2) has developed a comprehensive set of policies within a single coherent Framework.</p> <p>The related Action Plan focuses on roll-out issues (eg training of staff) that need to be progressed. CIGG2 meets regularly to monitor progress.</p> <p>A rigorous IT based process for tracking and reporting the investigation of breaches has been designed. It will be implemented in 2012/13.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2012/13
A11	<p>ICT Strategy</p> <ul style="list-style-type: none"> • a revised Corporate ICT Strategy needs to be in place that reflects the IT priorities of the County Council but is reconciled to the level of resources that will be available in the future • within that Strategy the key items to address are <ul style="list-style-type: none"> ○ migration from Novell to Microsoft ○ service continuity / disaster recovery ○ control weaknesses within service based IT applications and the proliferation of applications generally 	<p>A revised and funded ICT Strategy (and resourced Action Plan) will be presented to the Management Board by September 2012. The Strategy must address key issues as well as be compatible with the requirements of the One Council change programme.</p> <p>The Microsoft roll-out plan is on schedule but will need to be monitored to avoid delays having consequential knock-on implications for dependent plans (eg IT aspects of One Council proposals).</p> <p>An off-site facility for service continuity / disaster recovery is in place via NYnet. During 2012/13 the priority status of applications needs to be established.</p> <p>Proposals to standardise control procedures, review applications, etc, will be developed / implemented in 2012/13.</p>
A12	<p>Connecting North Yorkshire</p> <ul style="list-style-type: none"> • need to progress BDUK procurement and secure commensurate grant funding • also need to progress “not-spot” programme along with the BDUK project 	<p>The Procurement is on schedule to be completed by June 2012 so that funding streams can be maximised.</p> <p>Need to develop key partner links (eg LEP) to support delivery of grant funded outcomes (eg ERDF).</p> <p>In addition to the procurement, the not-spot programme needs to be maintained.</p> <p>Also need to ensure that the viability of the NYnet PSN is not compromised by the outcome of the BDUK procurement.</p>
A13	<p>Service Continuity Planning</p> <ul style="list-style-type: none"> • a Corporate Policy/Strategy needs to be in place supported by the development, and testing, of a comprehensive suite of service based Continuity Plans 	<p>The Civil Contingency Act 2004 places a requirement on the County Council to have in place a set of internal SCP arrangements.</p> <p>Following a review of progress to date, a revised approach has been approved by Management Board. This will need to be fully rolled out in 2012/13. In particular, the “generic corporate responses” required by Services (eg ICT recovery) will need to be identified and mitigating actions taken.</p>

8.0 **SUMMARY**

- 8.1 The internal control framework operating during 2011/12 is considered to have provided reasonable and objective assurance that significant risks impacting on the achievement of the County Council's principal objectives would be identified and actions taken to avoid or mitigate their impact.
- 8.2 Some issues that require attention have, however, been identified and these are set out in **Section 7** above together with details of how they will be addressed during 2012/13. Reports on progress will be submitted to the Audit Committee.

DRAFT

9.0 **SIGNATURES**

9.1 We, the undersigned, accept primary responsibility for the content of this Annual Governance Statement and will over the coming year, take steps to address the matters identified in Section 7 of this Statement to further enhance the governance arrangements of the County Council. We are satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the next annual review.

Signed:

.....
Cllr John Weighell
Leader of the County Council

.....
Richard Flinton
Chief Executive

Date:

Date:

.....
Carole Dunn
Assistant Chief Executive
(Legal and Democratic Services)
(Monitoring Officer)

.....
John Moore
Corporate Director – Finance and
Central Services (Section 151 Officer)

Date:

Date:

9.2 I confirm that the Audit Committee (meeting on the 28 June 2012) was satisfied, on the basis of the information available to it, that this Annual Governance Statement for 2011/12 has been prepared and approved after due and careful enquiry.

.....
Cllr Patrick Mulligan
Chairman of the Audit Committee

Date: 28 June 2012