

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

27 JUNE 2013

CORPORATE GOVERNANCE

Report of the Corporate Director, Strategic Resources

1.0 PURPOSE OF REPORT

- 1.1 To review the Annual Governance Statement for 2012/13 in advance of approving a later version at the meeting on 27 September 2013.
- 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 The Framework Delivering Good Governance in Local Government, published by CIPFA in association with SOLACE in 2007, sets the standard for local authority governance in the UK. CIPFA and SOLACE reviewed the Framework in 2012 to ensure that it remains 'fit for purpose' and issued an addendum to it in the Autumn of 2012 which provides an updated example annual governance statement. This addendum has been referenced in production of this report and the associated Appendices
- 2.2 According to the Terms of Reference of the Audit Committee, its role in respect of Corporate Governance is:
 - (i) to assess the effectiveness of the authority's Corporate Governance arrangements
 - (ii) to review progress on the implementation of Corporate Governance 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

2.3 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 considered as part of this report, and item (iv) is addressed by including progress updates in the Directorate specific reports submitted to each meeting by the respective Corporate Director alongside a report on internal audit work relating to that Directorate which is produced by the Head of Internal Audit.

3.0 STATUTORY REQUIREMENT

3.1 The key legislation covering the statutory requirements for both the Annual Governance Statement and the Statement of Final Accounts is contained in the Accounts and Audit Regulations of 2011. This includes a requirement for the AGS to accompany the accounts.

3.2 In addition to these Statutory Requirements CIPFA's Practitioner Notes for the 2012/13 Accounting Code of Practice recommend on best practice that –

- A full draft version of the AGS should accompany the SOFA which is required to be signed and dated by the end of June by the responsible financial officer
- The AGS should be approved by Members meeting as a whole committee under regulation 4(3) at the same time as the SOFA is approved under regulation 8(3) i.e. by 30 September

3.3 CIPFA also recommends reporting the SOFA to Members after they have been signed by the responsible officer. This is to allow time to review the SOFA, together with the AGS before or during the audit of the accounts and for points to be raised as appropriate.

3.4 The approach being taken by the County Council in order to ensure compliance with statutory obligations and to provide Audit Committee with sufficient time and information to seek assurances is as follows –

Initial review of draft AGS as attached to this report - 27 June 2013

Audit Committee consideration of draft Statement of Final Accounts including refinements to AGS as appropriate post 27 June - 18 July 2013

Formal approval of SOFA including AGS with explanation of any changes since 18 July - 27 September 2013

3.5 An approach which provides sufficient opportunities for Members to consider the AGS is paramount given the composition of the Audit Committee following County Council elections in May of this year. It is hoped that the meetings on

27 June and 18 July will provide such opportunities for all Members of the Audit Committee to become comfortable with reaching a positive view at the Audit Committee meeting on 27 September 2013.

4.0 DEVELOPMENTS IN 2012/13

- 4.1 Although the responsibility for managing the day to day aspects of the Corporate Governance agenda belong to the Executive and the Management Board, wider Members also have to be actively engaged – the role of this Committee is therefore critical in this regard.
- 4.2 This Committee received progress reports on a range of specific governance issues such as risk management and information governance through the year as well as a six monthly progress report on general corporate governance (as per Audit Committee on 6 December 2012).
- 4.3 A range of key governance documents are produced in order to ensure that progress is made and that practice is consistent with statute, guidance and good practice. Copies of these key documents are attached to this report as follows:-

Corporate Governance Checklist – **Appendix A**
Local Code of Corporate Governance – **Appendix B**
Annual Governance Statement 2012/13 – **Appendix C**
Statements of Assurance – **Appendix D**

All of the above have been updated to reflect issues identified in 2012/13 and / or changes in requirements.

- 4.4 Notable areas of recent work undertaken as part of the corporate governance agenda include the following:-
- ➔ update of the Corporate Governance Self-Assessment Checklist
 - ➔ annual review of the Local Code and Annual Governance Statement
 - ➔ progressing the Statements of Assurance
 - ➔ progressing issues relating to best practice documentation such as the latest CIPFA publication, Audit Committee Update
 - ➔ implementing changes to the Performance Management Framework
 - ➔ developing a revised quarterly performance monitoring regime for 2013/14

- ➔ further outcomes to improve understanding of the importance of information security across the Council.

5.0 CORPORATE GOVERNANCE CHECKLIST

5.1 The Corporate Governance Checklist is a self assessment checklist and is in line with the 6 principles defined in the Local Code of Corporate Governance. The requirements of the document CIPFA Statement of the Role of the Chief Financial Officer in Local Government are also incorporated within the Checklist.

5.2 The Checklist is effectively a “live” document to monitor and review the overall Corporate Governance process within the County Council. A copy of the latest “version” is attached as **Appendix A**.

- ➔ page 2 contains an explanation of its format
- ➔ page 3 details the improvements made on various aspects of the Corporate Governance process in the past year (in line with **paragraph 2.6**)
- ➔ page 4 identifies the officers who have lead responsibility for the various parts of the Corporate Governance process referred to in the Checklist
- ➔ information is provided on the dates at which the issue was last dealt with / reviewed and the next date at which the issue will be addressed again. In some cases there is brief narrative to explain the nature of the improvement / development.

5.3 Areas of development and / or improvement continue to be identified as a result of the need to comply with new guidance and requirements as they are published.

5.4 Members are invited to review the Checklist.

6.0 LOCAL CODE OF CORPORATE GOVERNANCE

6.1 The Local Code of Corporate Governance (**Appendix B**) 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.

6.2 The Local Code is reviewed annually alongside the Annual Governance Statement (AGS). Whilst the AGS needs to be updated on an annual basis (see **Section 7** below), the 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).

- 6.3 Once approved by Committee at this meeting, the Local Code will be referred to the Executive, who can then recommend it for formal adoption by the County Council.

7.0 ANNUAL GOVERNANCE STATEMENT 2012/13

- 7.1 The AGS (Appendix C) is effectively an annual report which assesses the effectiveness of the governance processes which have been put in place within the Council. It will accompany the Statement of Final Accounts (SOFA) when they are submitted to this Committee at its July meeting and then at the September meeting when the Committee is invited to formally approve the Statement of Final Accounts for 2012/13.

- 7.2 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.

- 7.3 The Annual Governance Statement has been drafted to comply with the Delivering Good Governance Framework in Local Government 2007 and the Application Note to Delivering Good Governance in Local Government: a Framework (March 2010)

- 7.4 There is one section of the AGS that relates to Significant Governance Issues (**Section 7**). This assessment has been drawn together from across the Council and has been approved by Management Board.

- 7.5 Members are asked to review the AGS 2012/13 with the intention of formally approving a later version at the meeting on 27 September when the SOFA will also be approved.

8.0 STATEMENT OF ASSURANCE

- 8.1 As part of the annual process and methodology to prepare the AGS, each Corporate Director is required to prepare and sign a Statement of Assurance relating to governance issues in their Directorate.

- 8.2 These Statements are one of the sources from which the Management Board draws up the issues list that appear in **Section 7** of the AGS.
- 8.3 A list of the issues identified to date by Corporate Directors is attached as **Appendix D**.

9.0 RECOMMENDATIONS

- 9.1 That Members review the Corporate Governance Self-Assessment Checklist (**Appendix A**)
- 9.2 That the updated Local Code of Corporate Governance (**Appendix B**) be recommended for approval by the County Council.
- 9.3 That Members review the Annual Governance Statement 2012/13 (**Appendix C**) with the intention of formally approving a later version at the meeting on 27 September 2013.

GARY FIELDING
Corporate Director, Strategic Resources

County Hall
Northallerton

11 June 2013

Background papers: December Audit Committee update on Corporate Governance



Corporate Governance Checklist 2013

CORPORATE GOVERNANCE EFFECTIVENESS CHECKS

This checklist is compiled from the CIPFA/SOLACE Delivering Good Governance in Local Government – Framework and Guidance Note 2012. It also incorporates the requirements of the CIPFA/SOLACE Statement on the Role of the Chief Financial Officer in Local Government (2010). CIPFA/SOLACE also published an Application Note to Delivering Good Governance in Local Government: a Framework; this document has been used to assist in demonstrating how the County Council complies with the Framework and the Statement.

The assessments of effectiveness contained within this Checklist are carried out by the Corporate Governance Officer Group (CGOG) and other Lead Officers named for the item concerned. Effectiveness is assessed in terms of factors such as

- has a review of existing processes/procedures been undertaken and/or are its results/conclusions still relevant?
- are current processes/procedures documented?
- what is the 'independent' evidence to indicate the processes/procedures are effective (eg review by AC/IAS, Members' input, external best practice benchmarking).

CURRENT EFFECTIVENESS RATING:

NYCC Position –

This column details the current processes/procedures that are in place and effectively meet the detailed requirements of the Corporate Governance Checklist and Statutory/Best Practice.

Last Review Date

This column shows when the NYCC position was last reviewed.

Improvement Action Needed –

Where the process/procedures are either requiring significant work to meet the detailed requirements of the Corporate Governance Checklist and Statutory/Best Practice or where improvements are required, the action needed is stated in the column.

ADDITIONAL NOTES:

1. The Monitoring Officer monitors and reviews the operation of the **Constitution** to ensure that the aims and principles of the Constitution are given full effect. The Monitoring Officer undertakes a formal review of the whole Constitution every four years and is authorised to make certain changes to the Constitution (full details of which are set out in Article 15 of the Constitution) but generally, changes to the Constitution will be approved by full Council.
2. Amendments to **Contract Procedure Rules, Financial Procedure Rules, and Property Procedure Rules** can be reviewed at any County Council within the Constitution but are subject to full formal annual review.

CORPORATE GOVERNANCE CHECKLIST

Examples of Improvements between March 2012 and May 2013

Improvements	Reference	Requirement
<ul style="list-style-type: none"> • Ethical Framework including the role of the Standards Cmte reviewed in accordance with the Localism Act (July 2012) • Member Register of Interests being compiled (July 2012) 	3.1.1	Ensure that the authority’s leadership sets a tone for the organisation by creating a climate of openness, support and respect
<ul style="list-style-type: none"> • Further training and communication on Information Governance (on line over the past year) • Further update of the content of the Information Management intranet site (over the past year) • Development of electronic register of data security breaches Feb 2013) 	3.1.2	Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols OR
	3.2.1	Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with Members, staff, the community and partners
<ul style="list-style-type: none"> • Ethical Framework including the role of the Standards Cmte reviewed in accordance with the Localism Act (July 2012) 	3.2.3	Develop and maintain an effective standards committee
<ul style="list-style-type: none"> • Clear procedures to deal with Member conduct complaints developed in line with the requirements of the Localism Act (July 2012) 	4.1.5	Put in place effective transparent and accessible arrangements for dealing with complaints
<ul style="list-style-type: none"> • Improvements to Learning Zone (ongoing over this year) • Mandatory learning packages introduced (January 2013) • Manager induction programme reviewed and refreshed(March 2013) • Manager portal for HR policies and information introduced(March 2013) 	5.1.1	Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis

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Improvements	Reference	Requirement
<ul style="list-style-type: none"> • Managers' pocket book developed and disseminated(March 2013) • On line appraisal process has been reviewed and updated (Feb 2013) • Review of Behaviour and Skills Framework (Jan 2013) 	5.2.1	Assess the skills required by Members, officers and managers and make a commitment to develop those skills to enable roles to be carried out effectively
<ul style="list-style-type: none"> • Health and Well-being Board established in shadow form 2012 and formally established 1 April 2013 	6.1.2	Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required
<ul style="list-style-type: none"> • Revised process map to improve the efficiency of handling FOI requests produced (Sept 2012) 	6.2.2	Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands
<ul style="list-style-type: none"> • Staff survey on employment offer carried out (November 2012) 	6.3.1	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

People Key		
Initials	Name	Job Title
AF	Amanda Fry	Staff Officer to the Chief Executive
CB	Carolyn Bird	Assistant Director Strategic Services (CYPS)
CD	Carole Dunn	Asst Chief Exec Legal & Democratic Services (= Monitoring Officer) (CS)
PD	Pete Dwyer	Corporate Director Children and Young People's Service
DB	David Bove	Corporate Director Business & Environmental Services
DBa	Debbie Bassett	Finance Manager (SR)
DH	Debbie Hogg	Assistant Director – Strategic Resources
FS	Fiona Sowerby	Corporate Risk and Insurance Manager (CS)
GF	Gary Fielding	Corporate Director Strategic Resources (Chief Financial Officer)
HE	Helen Edwards	Head of Communications (CS)
HT	Helen Taylor	Corporate Director Health & Adult Services
JB	Justine Brooksbank	Asst Chief Exec Business Support (CS)
MB	Management Board	
MT	Max Thomas	Head of Internal Audit (=Veritau)
NI	Neil Irving	Assistant Director Policy and Partnerships (CS)
RF	Richard Flinton	Chief Executive (= Head of Paid Service)

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
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						
Supporting principle						
1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users	1.1.1 Develop and promote the authority's purpose and vision	<ul style="list-style-type: none"> • Core set of strategies, policies and plans including <ul style="list-style-type: none"> → Council Plan → Community Plan (also known as Sustainable Community Strategy) • Citizens Panel • MTFS consultation including priorities / Council Plan • Local Government North Yorkshire and York (LGNYY) • NY Community Engagement Framework • A Communication Strategy in respect of the corporate objectives has been developed, approved and implemented and is regularly reviewed • Corporate objectives and aims are set out in key documents (annual plans etc) on the County Council's website and intranet site 	NI NI NI GF Executive / Management Board / NI NI RF	Annual Dec 2011 2012 Feb 2013 2011 2009 Annual Annual	Development of Plan beyond 2014 To be included in 2013 procurement of consultation tool and support Explore ways of increasing public participation Review in progress	May 2014 Dec 2013 Feb 2014 Apr 2014

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	1.1.2 Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements	• SEE 1.1.1				
		• Review of Corp Gov Checklist undertaken by CGOG	GF	Mar 2012	Update of Checklist to Audit Committee	Jun 2013
		• Audit Committee considers 6 monthly reports including update on AGS	GF	Dec 2012	Updates to Audit Committee	Dec 2013 (to be confirmed)
		• External Audit report on adequacy of governance arrangements as part of the Audit Final Report	GF	Sep 2012	A/L	Sep 2013
		• Local Code of Corporate Governance	GF	Jun 2012	Update to Audit Committee	Jun 2013
		• Annual Governance Statement	GF	Jun 2012	Update to Audit Committee	Jun 2013
		• Corporate Governance Officer Group chaired by CD SR	GF	May 2013	Regular meetings	Nov 2013
		• Audit Committee	GF	Apr 2013		Jun 2013
	1.1.3 Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners	• Partnership Champions Group	NI	2012		
		• Reference to Partnership Governance in Constitution and FPR	NI	2011		
		• Partnership Governance procedures, guidance and toolkit	NI	2012		
		• Rules for new partnerships and accountable body status in FPR	NI	2011		
		• Partnership change risk assessment	NI	2012		
		• Annual report to Executive and Audit Committee	NI	Annual		
	1.1.4 Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	• Council Plan	NI	Annual		
		• Annual Report on Scrutiny	NI	Annual		
		• Statement of Final Accounts	GF	Sep 2012		Jul 2013 and Sep 2013

Delivering Good Governance in Local Government Principle		Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
1.2 Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	1.2.1 Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	• Corporate Performance Management Frameworks and approach which incorporates quality and customer views	GF			Revised team arrangements being implemented across Council	[date for Q4 2013/14]
		• Assessment for Value for Money Conclusion as part of the External Auditors Annual Audit letter	GF	Oct 2012			Oct 2013
		• Citizens Panel	NI	2012		To be included in 2013 procurement of consultation tool and support	Dec 2013
		• Budget consultation	GF	January 2013		Further consideration of public consultation needs	October 2013
		• Customer Access One Council workstream which seeks to collate customer views to inform areas for improvement	GF	May 2013		Revised governance arrangements required to reflect next stage of One Council	TBA
		• Regular quarterly Performance / Financial reports to Executive	GF	Jun 2013			Aug 2013
		• Year end report on Performance / Financial out-turn to Executive	GF	Jun 2013			Jun 2014
		• Service Plans	Corporate Directors	Annual – Mar 2013		Review to take place in year	Mar 2014
	• Budget briefings to Executive Members	GF	Weekly		Portfolio holder = weekly Executive = quarterly	N/A	
	1.2.2 Put in place effective arrangements to identify and deal with failure in service delivery	• Corporate Complaints Procedure	AF	2012 which improved links to performance agenda, introduced		Procedure to be reviewed	2013

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
				iCasework. Annual reports produced alongside performance reports		
		<ul style="list-style-type: none"> Statutory Adult's and Children's Social Care Complaints Procedures 	AF	N/A		
		<ul style="list-style-type: none"> Corporate complaints system publicised on intranet/internet site 	AF		Sites to be further developed	Autumn 2013
		<ul style="list-style-type: none"> Standards Committee – monitor outcomes of complaints 	CD	N/A		
		<ul style="list-style-type: none"> Mandatory on line training module for all NYCC staff 	AF	Dec 2012		
		<ul style="list-style-type: none"> Service Plans 	Corporate Directors	June 2013		
		<ul style="list-style-type: none"> Annual Reports to Executive 	AF	N/A		
	1.3.1 Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions	<ul style="list-style-type: none"> Corporate Performance Management Frameworks and approach which incorporates quality and customer views 	GF	June 2013	Revised Q reporting regime for Q1 2013/14	August 2013
		<ul style="list-style-type: none"> Assessment for Value for Money Conclusion in the Annual Accounts 	GF	Annual		Sept 2013
		<ul style="list-style-type: none"> Regular quarterly Performance / Financial reports to Executive & Scrutiny Board 	GF	June 2013	Revised Q reporting regime for Q1 2013/14	August 2013
		<ul style="list-style-type: none"> Year end report on Performance / Financial out-turn to Executive & Scrutiny Board 	GF	June 2013		June 2014
		<ul style="list-style-type: none"> Service Plans 	Corporate Directors	June 2013		
		<ul style="list-style-type: none"> Monthly informal Directorate budget reports to Executive Members 	GF	Monthly		
		<ul style="list-style-type: none"> Audit Commission VfM Benchmarking used to access Council performance. Issues fed 	GF	Mar 2013	On-going review of data as produced	Mar 2014

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		into budget/savings discussions				
		<ul style="list-style-type: none"> • Networking with relevant Council bodies to identify best practices / learning 	Management Board	On-going	-	On-going
		<ul style="list-style-type: none"> • Membership of CIPFA Benchmarking Clubs for Financial Functions where provided 	GF	Dependent upon Club	Annual review of effectiveness	Dependent upon Club
		<ul style="list-style-type: none"> • Environmental impact measures <ul style="list-style-type: none"> - measurement of car mileage - Energy Team - Carbon reduction commitment 	NI GF GF	2012 TBA TBA		
		<ul style="list-style-type: none"> • Environmental impact assessment for procurement 	DH			
		<ul style="list-style-type: none"> • Internal audit of systems for producing performance information 	MT	On-going (part of regular audit work)	Corporate and directorate audits will review the quality of systems for producing management and performance information where applicable	On-going
	CFO 1.3a 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 and value for money in its use	<ul style="list-style-type: none"> • Quarterly reports to Executive re Revenue, Capital, Savings and Treasury Management 	GF	Jun 2013		Aug 2014
		<ul style="list-style-type: none"> • Reports to Executive / Scrutiny Committee / Audit Committee when necessary 	GF	As and when required		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	<p>CFO 1.3b 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</p>	<ul style="list-style-type: none"> • Budget / MTFS framework including: <ul style="list-style-type: none"> → on-going monitoring of income / expenditure within a reporting hierarchy culminating in the Q reports to Executive → a policy of maintaining a General Working Balance equivalent to at least 2% of the net Revenue Budget for any financial year. This is monitored / reported quarterly → the General Working Balance policy specifies the action(s) that need to be taken if the 2% is breached → a cap on the level of capital financing charges (as generated by the Capital Plan) relative to the net Revenue Budget. To exceed the current 11% threshold would require Executive approval → the Treasury Management framework of Prudential Indicators reviewed annually (as part of the MTFS / Budget process) and maintained through the year 	GF	June 2013		August 2013
			GF	Feb 2013	An overall review of Reserves & Balances is to be undertaken including the level of GWB	Jul 2013
			GF	Feb 2013	An overall review of Reserves & Balances is to be undertaken including the level of GWB	Jul 2013
			GF	Feb 2013	Prudential Indicators reviewed on on-going basis and approved by Council annually	Jul 2013
			GF	Feb 2013	Prudential Indicators reviewed on on-going basis and approved by Council annually	Jul 2013

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	CFO 1.3c Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code	<ul style="list-style-type: none"> formal Treasury Management (TM) reports to the Executive and County Council 	GF	Jun 2013		Aug 2013
		<ul style="list-style-type: none"> TM matters are also regularly considered by the Audit Committee, the Deputy Leader and Portfolio Member for Corporate Affairs 	GF	Bi-monthly	Review of arrangements required following various changes in personal	Jun 2013
Principle 2 – Members and officers working together to achieve a common purpose with clearly defined functions and roles						
2.1 Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	2.1.1 Set out a clear statement of the respective roles and responsibilities of the Executive and of the Executive's Members individually and the authority's approach towards putting this into practice	<ul style="list-style-type: none"> Constitution including leader and cabinet executive model arrangements 	CD	N/A		
		<ul style="list-style-type: none"> Officer Scheme of Delegation. Executive member Scheme of Delegation, Committee TOR 	CD	N/A		
		<ul style="list-style-type: none"> Monitoring Officer / Chief Finance Officer / Head of Paid service and other statutory officers in place 	RF / GF / CD / HT / PD / DB	N/A		
	2.1.2 Set out a clear statement of the respective roles and responsibilities of other authority Members, Members generally, senior officers and of the leadership team and its members individually	<ul style="list-style-type: none"> SEE 2.1.1 				

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	CFO 2.1a Ensure that the CFO reports directly to the chief executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact	<ul style="list-style-type: none"> CFO reports directly to the Chief Executive and is an “equal” member of the Chief Executive’s Management Board 	GF	N/A		
		<ul style="list-style-type: none"> CFO review of compliance with CIPFA statement on Role of CFO 	GF	May 2013	Compliant – no further action	May 2014
		<ul style="list-style-type: none"> Pending review of CFO role and compliance with CIPFA Statement on Role of CFO by Audit Committee 	GF	Jun 2010	Further review date to be determined as part of Audit Committee workplan	TBA
2.2 Ensuring that a constructive working relationship exists between elected Members and officers and that the responsibilities of authority Members and officers are carried out to a high standard	2.2.1 Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority taking account of relevant legislation and ensure that it is monitored and updated when required	<ul style="list-style-type: none"> Constitution - Scheme of Delegation for Officers 	CD	Feb 2013	Reviewed on an on-going basis	Annual Council 2014
		<ul style="list-style-type: none"> Review of Scheme of Delegation 	CD	Feb 2013	Reviewed on an on-going basis	Annual Council 2014
		<ul style="list-style-type: none"> Protocol on Member / Officer relations 	CD	N/A		
		<ul style="list-style-type: none"> FPR, CPR and PPR subject to review 	GF	Dec 2011	Review recently carried out and report to be provided	Jun 2013

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	2.2.2 Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management	<ul style="list-style-type: none"> Constitution including leader and cabinet executive model arrangements 	CD	N/A		
		<ul style="list-style-type: none"> Officer Scheme of Delegation. Executive member Scheme of Delegation, Committee TOR 	CD	Feb 2013	Reviewed on an on-going basis	Annual Council 2014
		<ul style="list-style-type: none"> Job descriptions of key officers 	JB			
		<ul style="list-style-type: none"> Role of Head of Paid Service is defined by law and within the Constitution 	CD	Feb 2013		
		<ul style="list-style-type: none"> Appraisal arrangements including performance management for Chief Executive by Leader in place 	JB	Annual		
	CFO 2.2a Ensure that the authority's governance arrangements allow the CFO direct access to the CEO and to other leadership team members	<ul style="list-style-type: none"> Review of Scheme of Delegation 	CD	Feb 2013	Reviewed on an on-going basis	Annual Council 2014
		<ul style="list-style-type: none"> CFO is member of Management Board 	GF	N/A		
		<ul style="list-style-type: none"> CFO leads on any matters related to the financial affairs plus Procurement, Health and Safety, Property, IT, Risk Management, Corporate Governance, Information Governance, Service Continuity and the Pension Fund 	GF	N/A		
		<ul style="list-style-type: none"> CFO has direct access to the Executive, the Audit Committee, Scrutiny Committees, the Chief Executive and the External Auditor 	GF	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	2.2.3 Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> Protocol on Member / Officer relations 	CD	N/A		
	2.2.4 Make the CFO responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	<ul style="list-style-type: none"> The Constitution of the authority (and the CFO's job description) makes all these matters the explicit responsibility of the CFO 	GF	N/A		
	CFO 2.2.4a Appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority	<ul style="list-style-type: none"> The current CFO is a member of CIPFA (membership held since qualification in 1995) 	GF	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	<p>CFO 2.2.4b</p> <p>Ensure that the CFO :</p> <ul style="list-style-type: none"> leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively has a line of professional accountability for finance staff throughout the organisation 	<ul style="list-style-type: none"> The Constitution of the authority (and the CFO's job description) makes all these matters the explicit responsibility of the CFO 	GF	N/A		
	<ul style="list-style-type: none"> A defined structure within Strategic Resources where responsibilities set out in job description. Each Directorate has an outposted senior finance lead (qualified accountant) and they are member of the Strategic Resources and outposted Directorate Management Teams 	GF	Apr 2013	Review of arrangements throughout 2013	N/A	
	<ul style="list-style-type: none"> Outposted senior finance leads and their support teams have a reporting line to the CFO 	GF	N/A		N/A	
	<ul style="list-style-type: none"> Contingency plan for the absence of the CFO which is signed off annually by the Chief Executive and the Portfolio Member 	GF	May 2013	Review arrangements as result of AD retirement have been implemented		
	<p>CFO 2.2.4c</p> <p>Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</p>	<ul style="list-style-type: none"> Annual Budget report submitted each year contains a formal review of reserves / balances and a section 25 "opinion" and other related issues as defined in CIPFA guidance 	GF	Feb 2013	Budget 2	Jul 2013

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	<p>CFO 2.2.4d</p> <p>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</p>	<ul style="list-style-type: none"> The corporate financial ledger system (Oracle) 	GF	N/A	Financial system upgrade and other associated developments being planned for	TBA
<ul style="list-style-type: none"> Other specialised financial systems (eg Pensions, Accounts Receivable) 		GF	N/A	Financial system upgrade and other associated developments being planned for	TBA	
<ul style="list-style-type: none"> Financial Procedure Rules provide the internal regulatory framework for financial administration 		GF	Dec 2011	Review recently carried out and report to be provided	Jun 2013	
<ul style="list-style-type: none"> CFO holds regular KITs with Finance ADs which includes review of key priorities, controls and developments 		GF	Monthly		Monthly	
<ul style="list-style-type: none"> Assigned Accountants take responsibility for reviewing all internal audit reports that apply to their service 		GF	N/A	N/A	N/A	
<ul style="list-style-type: none"> If the County Council is the 'lead' for a partnership the same principles that operate within the County Council are applied 		GF	N/A	N/A	N/A	
<ul style="list-style-type: none"> Partnership Governance requirements are now incorporated in Financial Procedure Rules (eg all new partnerships have to undergo a risk assessment) 		GF	2011			

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	2.2.5 make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with	<ul style="list-style-type: none"> The Constitution of the authority (and the monitoring officer's job description) makes all these matters the explicit responsibility of the monitoring officer 	CD	N/A		
		<ul style="list-style-type: none"> Ensuring the legality of the Council's operations is part of the monitoring officer's statutory duty 	CD	N/A		
		<ul style="list-style-type: none"> Statutory Officers (eg Head of Paid Service, CD-FCS, Monitoring Officer, , CD-CYPS, CD-HAS) 	RF / GF / CD / HT / PD / DB	N/A		
2.3 Ensuring relationships between the authority, its partners and the public are clear so that each know that to expect of the other	2.3.1 Develop protocols to ensure effective communication between Members and officers in their respective roles	<ul style="list-style-type: none"> Protocol on Member/Officer relations and communications 	CD	N/A		
	2.3.2 Set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process including an effective remuneration panel	<ul style="list-style-type: none"> Members Allowance Scheme 	DBa	N/A		
		<ul style="list-style-type: none"> Remuneration Panel engaged as appropriate 	DBa	N/A		
		<ul style="list-style-type: none"> Job evaluation 	JB		Job evaluation process under review (JB)	TBA
		<ul style="list-style-type: none"> Regular review of terms and conditions of service 	JB		Regular review carried out	
		<ul style="list-style-type: none"> Pay and Reward Group 	JB	N/A		
	2.3.3 Ensure that effective mechanisms exist to monitor service delivery	<ul style="list-style-type: none"> N Y Strategic partnerships 	NI	2011		
		<ul style="list-style-type: none"> Council Plan 	NI	Annual		
		<ul style="list-style-type: none"> Service Plans 	GF	April 2013	Review of SPPs planned in year	March 2014
		<ul style="list-style-type: none"> Corporate Performance Management Group 	GF	24 May 2013	On-going review of effectiveness	1 July 2013
<ul style="list-style-type: none"> Regular quarterly Performance / Financial reports to Executive 		GF	Jun 2013	Reviewed format of Q report	Aug 2013	
<ul style="list-style-type: none"> Year end report on Performance / Financial out-turn to Executive 		RM / GF	Jun 2013		Jun 2014	

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	2.3.4 Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated	<ul style="list-style-type: none"> Community Plan and Strategy 	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		<ul style="list-style-type: none"> Council Plan 	NI	Annual		
		<ul style="list-style-type: none"> Equality and Diversity Statement 	NI	Feb 2012		
		<ul style="list-style-type: none"> Support through media relations and communications activity 	HE	N/A		
		<ul style="list-style-type: none"> Citizens Panel 	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		<ul style="list-style-type: none"> Annual Report on Scrutiny 	NI	Annual		
		<ul style="list-style-type: none"> MTFS consultation including priorities / Council Plan 	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		<ul style="list-style-type: none"> Local Government North Yorkshire and York (LGNY) 	Executive / Management Board	2011		
		<ul style="list-style-type: none"> NY Community Engagement Framework 	NI	2009	Review in progress	April 2014
		<ul style="list-style-type: none"> Community Engagement Guidance and Toolkit 	NI	2013		

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	<p>CFO 2.3.4a</p> <p>Establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • MTFS and Budget are reviewed / prepared at least annually 	GF	Feb 2013	Budget 2	Jul 2013
		<ul style="list-style-type: none"> • CFO signs off the “robustness of the estimates and the “adequacy of reserves” (under S.25 of the LGA 2003) as part of the annual Budget / MTFS report 	GF	Feb 2013	Budget 2	Jul 2013
		<ul style="list-style-type: none"> • Quarterly reports to the Executive (a meeting also attended by the Chairmen of all the Scrutiny Committees) 	GF	Jun 2013		Aug 2013
		<ul style="list-style-type: none"> • MTFS / Budget process embraces Revenue and Capital as well as Treasury Management and the Budget Savings Matrix; all monitored and reported quarterly 	GF	Feb 2013		Jul 2013/ Feb 2014
		<ul style="list-style-type: none"> • Quarterly reports also include data on performance and HR matters that link to patterns / trends emerging in the financial reports 	GF	Jun 2013		Aug 2013
		<ul style="list-style-type: none"> • Quarterly reports to the Executive includes checking the assumptions used in the MTFS so that any factors that may impact on these assumptions are reported via the Quarterly process (eg pay award, change in interest rates) 	GF	Jun 2013		Aug 2013
	<p>2.3.5</p> <p>When working in partnership ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</p>	<ul style="list-style-type: none"> • Member role covered in partnership guidance 	NI	2012		
		<ul style="list-style-type: none"> • Annual partnership report to Executive and Audit Committee 	NI	Annual		
		<ul style="list-style-type: none"> • Specific involvement in decision taking on partnerships as required 	Directors	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	2.3.6 When working in partnership: <ul style="list-style-type: none"> ensure that there is clarity about the legal status of the partnership ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions 	<ul style="list-style-type: none"> Reference to Partnership Governance in Constitution & FPR 	NI	2011		
		<ul style="list-style-type: none"> Partnership Governance procedures, guidance & toolkit 	NI	2012		
Principle 3 – Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour						
3.1 Ensuring authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	3.1.1 Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	<ul style="list-style-type: none"> Leader and Chief Executive ethical roles defined 	CD	N/A		
		<ul style="list-style-type: none"> Members Code of Conduct 	CD	Jul 2013	Sep 2013	
		<ul style="list-style-type: none"> Chief Executive attends Standards Committee, promotes initiatives 	CD	N/A		
		<ul style="list-style-type: none"> Standards Committee and Monitoring Officer promote ethical agenda 	CD	N/A		
		<ul style="list-style-type: none"> Training for Members on Code of Conduct 	CD	May 2013		
		<ul style="list-style-type: none"> Leader has involvement in promotion of ethics agenda 	CD	N/A		
		<ul style="list-style-type: none"> Roles in ethical agenda defined 	CD	N/A		
		<ul style="list-style-type: none"> Officers Standards of Conduct procedure rules 	CD/JB	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	3.1.2 Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	• Linkages between Code of Conduct and Freedom Of Information, Human Rights and Equality Acts	CD	N/A		
		• Guidance on the Bribery Act 2010	CD	N/A		
		• Member Register of Interests	CD	May 2013		
		• Protocol on Member/Officer relations	CD	N/A		
		• Leader and Chief Executive ethical roles defined	CD	N/A		
		• Members Code of Conduct	CD	Jul 2013	Sep 2013	
		• Chief Executive attends Standards Committee, promotes initiatives	CD	N/A		
		• Standards Committee and Monitoring Officer promote ethical agenda	CD	N/A		
		• Training for Members on the Code of Conduct	CD	May 2013		
		• Leader has involvement in promotion of ethics agenda	CD	N/A		
		• Roles in ethical agenda defined	CD	N/A		
		• Officer Register of Interests	CD		Review needed	Mar 2014
		• Training for Officers on Ethical Standards & Decision Marking	CD	N/A		
		• Guidance on Companies Act 2006 – Directors Duties and Conflicts of Interest	CD	N/A		
		• Linkages between Code of Conduct and Freedom Of Information, Human Rights and Equality Acts	CD	N/A		
		• Developed intranet as a resource for staff information and feedback	JB		Further development of the intranet for staff information (JB)	TBA
• Guidance on the Bribery Act 2010	CD	N/A				

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Whistleblowing policy established under the Public Interest Disclosure Act 1998 and regularly publicised and updated 	MT	2009	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken in 2013	Dec 2013
		<ul style="list-style-type: none"> Separate Whistleblowing policy for primary schools 	MT	2009	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken in 2013	Dec 2013
		<ul style="list-style-type: none"> Policy is periodically publicised via staff publications, newsletters, key messages etc 	MT	On-going	Awareness of the policy will be considered as part of the wider review	Dec 2013
		<ul style="list-style-type: none"> Whistleblowers' confidential hotline 	MT	On-going	Reporting arrangements to be considered as part of the wider review	Dec 2013
		<ul style="list-style-type: none"> Intranet site 	MT	On-going	Awareness of the policy will be considered as part of the wider review	Dec 2013
		<ul style="list-style-type: none"> Regular reports to External Audit 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Annual Report to Audit Committee outlining the level of fraud and corruption within the County Council 	MT	2013	N/A	N/A

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Counter Fraud Policy and Strategy 	MT	2012	The strategy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements.	Mar 2014
		<ul style="list-style-type: none"> Anti-money laundering policy and procedures 	MT	2011	The anti-money laundering policy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements.	Mar 2014
		<ul style="list-style-type: none"> Designated Money Laundering Reporting Officer (MLRO) 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Anti fraud and corruption training programme 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Participation in the National Fraud Initiative data matching exercise 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Fraud and Loss Risk Assessment and action plan 	MT	2013	The fraud risk assessment will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements.	Mar 2014
		<ul style="list-style-type: none"> Register of gifts and hospitality for staff 	CD	Annual		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Identified issues subsequently referred to management to instigate internal disciplinary procedures and/or the police for criminal investigation 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Formal links between fraud/ loss risk assessments and risk management process and Annual Internal Audit Plan 	MT	On-going. Fraud risks considered by the corporate risk management group – May 2013	On-going	N/A
		<ul style="list-style-type: none"> Counter fraud work undertaken within annual Internal Audit Plan 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Data interrogation exercises 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Fraud Action Plan 	MT	2013. The annual fraud risk assessment includes proposed actions to address identified risks	The fraud risk assessment will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> Standing Orders and Code of Practice for School Governing Bodies (Good Practice Guide) 	CB	March 2013	To be reviewed in line with DfE legislation	When applicable
		<ul style="list-style-type: none"> Code of Conduct for Planning 	CD		Needs Review	Mar 2014
		<ul style="list-style-type: none"> Corporate Policies that comply with ISO 27001 as part of the Governance Framework and cover use of ICT eg email, internet use etc 	GF	As and when required		
		<ul style="list-style-type: none"> Information Governance Framework / Information Management intranet site 	GF	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Corporate Complaints Procedure 	AF	2012 which improved links to performance agenda, introduced iCasework. Annual reports produced alongside performance reports	Procedure to be reviewed	2013
		<ul style="list-style-type: none"> Statutory Adult's and Children's Social Care Complaints Procedures 	AF	N/A		
		<ul style="list-style-type: none"> Corporate complaints system publicised on intranet/internet site 	AF		Sites to be further developed	Autumn 2013
		<ul style="list-style-type: none"> Mandatory on line training module for all NYCC staff 	AF	Dec 2012		
	3.1.3 Put in place arrangements to ensure that Members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> SEE 3.1.2 				
	<ul style="list-style-type: none"> Members Code of Conduct (Part 5) 	CD	Jul 2013	Sep 2013		
	<ul style="list-style-type: none"> Standard of Conduct of Procedure Rules 	CD	N/A			
	<ul style="list-style-type: none"> Standards Committee – review incidence of whistleblowing complaints and effectiveness of policy 	CD	N/A			
	<ul style="list-style-type: none"> Standards Committee – monitor outcomes of complaints 	CD	N/A			
	<ul style="list-style-type: none"> FPR, CPR and PPR subject to review 	GF	Dec 2011	Review currently underway	Jun 2013	

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Regular IAS audits on compliance with contract, financial and property procedure rules together with specific contract audit work 	MT	On-going (part of regular audit work)	System and establishment audits will generally examine compliance with contract, finance and property procedure rules	On-going
		<ul style="list-style-type: none"> Whistleblowing Policy is periodically publicised via staff publications, newsletters etc 	MT	2009	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken in 2013	Dec 2013
		<ul style="list-style-type: none"> Whistleblowers' confidential hotline 	MT	On-going	Reporting arrangements to be considered as part of the wider review	Dec 2013
		<ul style="list-style-type: none"> Regular reports to External Audit 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Annual Report to Audit Committee outlining the level of fraud and corruption within the County Council 	MT	2013	N/A	N/A
		<ul style="list-style-type: none"> Counter Fraud Policy and Strategy 	MT	2012	The strategy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> • Anti-money Laundering Policy and procedures 	MT	2011	The anti-money laundering policy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> • Designated Money Laundering Reporting Officer (MLRO) 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> • Anti Fraud and Corruption training programme 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> • Data interrogation exercises 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> • Participation in the National Fraud Initiative data matching exercise 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> • Fraud and Loss Risk Assessment and Action Plan 	MT	2013	The fraud risk assessment will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> • Register of gifts and hospitality for staff 	CD	Annual		
		<ul style="list-style-type: none"> • Identified issues subsequently referred to management to instigate internal disciplinary procedures and/or the police for criminal investigation 	MT	On-going	N/A	N/A

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Formal links between fraud/ loss risk assessments and risk management process 	MT	On-going. Fraud risks considered by the corporate risk management group – May 2013	On-going	N/A
		<ul style="list-style-type: none"> Counter fraud work undertaken within annual Internal Audit Plan 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Fraud Action Plan 	MT	2013. The annual fraud risk assessment includes proposed actions to address identified risk	The fraud risk assessment will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> The Members register is maintained by the Monitoring Officer 	CD	Periodic		
		<ul style="list-style-type: none"> Officers register of interests is maintained by Monitoring Officer for Band 12 and above 	CD	N/A		
3.2 Ensuring that organisational values are put into practice and are effective	3.2.1 Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with Members, staff, the community and partners	<ul style="list-style-type: none"> SEE 3.1.1, 3.1.2 AND 3.1.3 				
		<ul style="list-style-type: none"> Roles in ethical agenda defined 	CD	N/A		
		<ul style="list-style-type: none"> Corporate Policies that comply with ISO 27001 as part of the Governance Framework and cover use of ICT eg email, internet use etc 	GF	As and when required		
		<ul style="list-style-type: none"> Staff Information intranet site 	JB		Further development of intranet site for staff information (JB)	TBA
		<ul style="list-style-type: none"> Employment Support Site 	JB	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Information Management intranet site including all policy and procedure documentation 	MT	On-going	Continue to update content of Information Management intranet site (MT)	Sep 2013
		<ul style="list-style-type: none"> Programme of information governance awareness raising 	MT	On-going	Further training and communication on Information Governance matters (MT)	Dec 2013
		<ul style="list-style-type: none"> Corporate Information Governance Group 	GF	May 2013		Jul 2013
		<ul style="list-style-type: none"> Information Governance Action Plan 	MT	Reviewed and updated on regular basis by CIGG	On-going	N/A
	3.2.2 Put in place arrangements to ensure that procedures and operations are designed in conformity with the appropriate ethical standards, and monitor their continuing effectiveness in practice	<ul style="list-style-type: none"> Ad-hoc Statutory Reports from Statutory Officers 	CD	N/A		
	<ul style="list-style-type: none"> Internal Audit / External Audit reports 	GF	N/A			
	<ul style="list-style-type: none"> Corporate Complaints Procedure 	AF	2012 which improved links to performance agenda, introduced iCasework. Annual reports produced alongside performance reports	Procedure to be reviewed	2013	
	<ul style="list-style-type: none"> Local Code of Corporate Governance 	GF	Jun 2013		Jun 2014	
	<ul style="list-style-type: none"> Annual Governance Statement 	GF	Jun 2013		Jun 2014	
	<ul style="list-style-type: none"> Skills development workshop and on line learning in place 	JB	TBA			

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Counter Fraud and Whistleblowing Policy & Strategy 	MT	Whistleblowing policy – 2009 Counter fraud Strategy - 2012	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken by December 2013. The counter fraud strategy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> Codes of conduct in place for Members and Officers 	CD	Jul 2012 (Members)		
		<ul style="list-style-type: none"> Anti-money laundering policy and procedures 	MT	2011	The anti-money laundering policy will be reviewed and (if necessary) updated in line with the annual report to the Audit Committee on counter fraud arrangements	Mar 2014
		<ul style="list-style-type: none"> Designated Money Laundering Reporting Officer (MLRO) 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Anti fraud and corruption training programme 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Participation in the National Fraud Initiative data matching exercise 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Data interrogation exercises 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Register of gifts and hospitality for staff 	CD	Annual		

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Identified issues subsequently referred to management to instigate internal disciplinary procedures and/ or the police for criminal investigation 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Formal links between fraud / loss risk assessments and risk management process 	MT	On-going. Fraud risks considered by the corporate risk management group – May 2013	On-going	N/A
		<ul style="list-style-type: none"> Counter fraud work undertaken within annual Internal Audit Plan 	MT	On-going	N/A	N/A
		<ul style="list-style-type: none"> Standing Orders and Code of Practice for School Governing Bodies (Good Practice Guide) 	CB	March 2013	To be reviewed in line with DfE legislation	When applicable
		<ul style="list-style-type: none"> Code of Conduct for Planning 	CD		Needs Review	Mar 2014
		<ul style="list-style-type: none"> Corporate Policies that comply with ISO 27001 as part of the Governance Framework and cover use of ICT eg email, internet use etc 	GF	As and when required		
		<ul style="list-style-type: none"> Staff Information intranet site available 	JB		Further development of staff intranet site (JB) Development of automated processes to support effective management eg. Disciplinary procedures, developing performance, staff absence (JB)	TBA

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Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		<ul style="list-style-type: none"> Information Management intranet site 	GF	N/A		
	CFO 3.2.2a 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	<ul style="list-style-type: none"> System of internal control audited by both Internal Audit and the External Auditor and reported on annually via the Annual Governance Statement 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> Audit Committee 	GF	Apr 2013		Jun 2013
		<ul style="list-style-type: none"> Work programme of the Audit Committee provides for systematic reporting of all work undertaken by Internal Audit as well as progress monitoring on other corporate themes (eg Information Governance) 	GF	Jun 2013		Jul 2013
		<ul style="list-style-type: none"> Information Governance Framework 	GF	N/A		
		<ul style="list-style-type: none"> Standards Committee Terms of Reference Corporate Complaints Procedure 	CD	N/A		
	3.2.3 Develop and maintain an effective standards committee		CD	N/A		
			AF	2012 which improved links to performance agenda, introduced iCasework. Annual reports produced alongside performance reports	Procedure to be reviewed	2013

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	3.2.4 Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.	<ul style="list-style-type: none"> Legal and Democratic Services monitor reports to Executive , full Council and taken under delegated powers 	CD	N/A		
		<ul style="list-style-type: none"> Decision making supported through risk registers 	GF	N/A		
	3.2.5 In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	<ul style="list-style-type: none"> Partnership Governance procedures guidance & toolkit 	NI	2012		
		<ul style="list-style-type: none"> Rules for new partnerships and accountable body status in FPR 	NI	2011		
Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk						
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	4.1.1 Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall	<ul style="list-style-type: none"> Statutory Scrutiny Officer 	NI	2011		
		<ul style="list-style-type: none"> Scrutiny Committees in place 	NI	2011		
		<ul style="list-style-type: none"> Overview reports in depth scrutiny reviews 	NI	2011		
		<ul style="list-style-type: none"> Ofsted Reports (reported as part of Q reports) 	PD	Jun 2013		Aug 2013
		<ul style="list-style-type: none"> CQC Reports (reported as part of Q reports) 	HT	Jun 2013		Aug 2013
		<ul style="list-style-type: none"> Supporting democratic and scrutiny process through media relations and communications activity 	HE	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	CFO 4.1.1a Ensure an effective internal audit function is resourced and maintained	<ul style="list-style-type: none"> Internal Audit function is provided by Veritau. The Head of Internal Audit reports (in his own name) directly to the Audit Committee 	GF	N/A		
		<ul style="list-style-type: none"> Adequacy and efficacy of the Internal Audit function is assessed by the External Auditor and reported on directly to the Audit Committee 	GF	Jun 2013		Sep 2013
		<ul style="list-style-type: none"> Audit Committee annual review of effectiveness of Internal Audit Service and of Audit Committee resulting in Improvement Plan 	GF	Jun 2013		Mar 2014
	4.1.2 Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	<ul style="list-style-type: none"> Legal Services and Democratic Services monitor reports to Executive, full Council and taken under delegated powers 	CD	N/A		
		<ul style="list-style-type: none"> Decision records are maintained in accordance with statutory requirements 	CD	N/A		
		<ul style="list-style-type: none"> Template for decision making at Executive Committee developed 	CD	N/A		
	4.1.3 Put in place arrangements to safeguard against conflicts of interest on behalf of Members and employees can be avoided and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> Members Code of Conduct (Part 5) 	CD	Jul 2013	Sep 2013	
		<ul style="list-style-type: none"> Member Register of Interests 	CD	May 2013		
		<ul style="list-style-type: none"> Officer Register of Interests 	CD	N/A		
		<ul style="list-style-type: none"> Specific audits carried out when necessary eg register of gifts and hospitality audit 	MT	Audit work undertaken in accordance with overall risk assessment	N/A	N/A

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	4.1.4 Develop and maintain an effective audit committee or equivalent which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.	<ul style="list-style-type: none"> Audit Committee embedded and considering regular reports on specific issues and all internal control issues in Directorates 	GF	Apr 2013		Jun 2013
		<ul style="list-style-type: none"> Audit Committee consider 6 monthly reports 	GF	Dec 2012		Jun 2013
		<ul style="list-style-type: none"> The Head of Internal Audit reports to Audit Committee throughout the year on the audit work undertaken in each directorate 	MT	Regular reports to Audit Committee	N/A	N/A
		<ul style="list-style-type: none"> Reports include a summary of internal audit work undertaken; progress made by the Directorate on managing risks on the risk register and on the Director's Assurance Statement 	MT	Regular reports to Audit Committee. Format of reports changed recently so results of internal audit work and directorate risks now considered separately	N/A	N/A
		<ul style="list-style-type: none"> Annual report of the Head of Internal Audit, including opinion on internal control framework 	MT	Jun 2013	N/A	N/A

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	<p>CFO4.1.4a Ensure that the authority's governance arrangements allow the CFO direct access to the audit committee and external audit</p>	<ul style="list-style-type: none"> CFO is a member of Management Board and leads on any matters related to the financial affairs of the Authority; plus Procurement, Health and Safety, Property, IT, Risk Management, Corporate Governance, Information Governance, Service Continuity and the Pension Fund 	GF	N/A		
		<ul style="list-style-type: none"> CFO has access to the Executive, the Audit Committee, Scrutiny Committees, the Chief Executive and the External Auditor 	GF	N/A		
	<p>4.1.5 Put in place effective transparent and accessible arrangements for dealing with complaints</p>	<ul style="list-style-type: none"> Corporate Complaints Procedure 	AF	2012 which improved links to performance agenda, introduced iCasework. Annual reports produced alongside performance reports	Procedure to be reviewed	2013
		<ul style="list-style-type: none"> Statutory Adult's and Children's Social Care Complaints Procedures 	AF	N/A		
		<ul style="list-style-type: none"> Corporate complaints system publicised on intranet/internet site 	AF		Sites to be further developed	Autumn 2013
		<ul style="list-style-type: none"> Mandatory on line training module for all NYCC staff 	AF	Dec 2012		

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Delivering Good Governance in Local Government Principle		Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	4.2.1	Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical and financial issues and their implications	<ul style="list-style-type: none"> Statutory officers check information in reports to ensure Members are properly informed to enable proper decision making 	CD/GF	N/A		
	CFO 4.2.1a	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	<ul style="list-style-type: none"> Financial information relating to Budgets is available (via Oracle) to Budget Managers on an on-going basis. Assigned Accountants also apply a monthly cycle of reporting to Corporate Directors and the Portfolio Member(s) by Assigned Accountants 	GF	Monthly	Review of future reporting arrangements as part of the upgrade of financial systems	Monthly
			<ul style="list-style-type: none"> Quarterly reports to Executive 	GF	Jun 2013		Aug 2013
	4.2.2	Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	<ul style="list-style-type: none"> Assigned Accountants will sign off the financial content of any reports prepared by other Corporate Directors. All reports in the name of CFO are signed off by the CD SR. The process of signing off covers all preparatory discussions etc 	GF	N/A	N/A	N/A
			<ul style="list-style-type: none"> Template for Executive decisions 	CD	N/A		
			<ul style="list-style-type: none"> Draft Executive & Planning Committee reports are reviewed by Monitoring Officer and Legal and Democratic Services Teams 	CD	N/A		
	<ul style="list-style-type: none"> Forward Plan for key decisions 	CD	N/A				

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	CFO 4.2.2a Ensure the authority's governance arrangements allow the CFO to bring influence to bear on all material decisions	<ul style="list-style-type: none"> CFO is member of Management Board and leads on any matters related to the financial affairs of the Authority; plus Procurement, Health and Safety, Property, IT, Risk Management, Corporate Governance, Information Governance, Service Continuity and the Pension Fund 	GF	N/A		
		<ul style="list-style-type: none"> CFO has access to the Executive, the Audit Committee, Scrutiny Committees, the Chief Executive and the External Auditor 	GF	N/A		
	CFO 4.2.2b Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance	<ul style="list-style-type: none"> Balance / reserves held are subject to a risk assessment methodology that is reported annually as part of the Budget / MTFS report 	GF	Feb 2013	Review being conducted to determine on-going Revenues and Balances Policy	Jul 2013
4.3 Ensuring that an effective risk management system is in place	4.3.1 Ensure that risk management is embedded into the culture of the authority, with Members and managers at all levels recognising that risk management is part of their job	<ul style="list-style-type: none"> Risk Management Policy and Strategy in place and reviewed on a regular basis 	FS	Sep 2012		Sep 2014
		<ul style="list-style-type: none"> Service and Project Risk Registers and RPS Workshops 	FS	As and when required		
		<ul style="list-style-type: none"> Corporate Directors 'own' their specific Directorate RRs, and MB collectively progress and monitor the CRR 	GF	Feb 2013		Sep 2013
		<ul style="list-style-type: none"> Executive approves CRR 	FS	Feb 2013		Sep 2013
		<ul style="list-style-type: none"> Audit Committee assesses CRR 	FS	Dec 2012		Jun 2013
		<ul style="list-style-type: none"> Individual Directorate Statements of Assurance 	MB	Annually in June		

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		<ul style="list-style-type: none"> Risk management to be included in Behaviour and Skills Framework 	JB		Review of Behaviour and Skills Framework will ensure the inclusion of risk management (JB)	TBA	
		<ul style="list-style-type: none"> Web enabled RPS software 	FS	N/A			
		<ul style="list-style-type: none"> Reporting and monitoring framework for communicating risks (eg CRMG / DRMG / Mgt teams) 	GF	DRMGs follow CRMG - May 2013		DRMGs follow CRMG – Jul 2013	
		<ul style="list-style-type: none"> Regular reports to Audit Committee 	GF	Dec 2012		Jun 2013	
		<ul style="list-style-type: none"> Risk Registers include consideration of objectives and contribute to service plans 	GF	N/A			
		<ul style="list-style-type: none"> Council Plan & MTFS take into account new and emerging risks 	GF	Feb 2013		Feb 2014	
		<ul style="list-style-type: none"> MTFS includes risk assessment re its sustainability 	GF	Feb 2013		Feb 2014	
		<ul style="list-style-type: none"> MTFS assumption tracked on an on-going basis (eg against changing economic circumstances) 	GF	Feb 2013		Feb 2014	
		<ul style="list-style-type: none"> RPS Workshops include training of staff 	FS	Regular workshops take place			
		<ul style="list-style-type: none"> Corporate & Directorate Risk Management Groups 	GF	DRMGs follow CRMG – May 2013		DRMGs follow CRMG – July 2013	
	CFO 4.3.1a	Ensure the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports	<ul style="list-style-type: none"> CFO co-ordinates the drafting and monitoring of the AGS with assistance of colleagues in CGOG 	GF	Jun 2013		June 2014
	<ul style="list-style-type: none"> Audit Committee 		GF	N/A			
	<ul style="list-style-type: none"> Corporate Governance Officer Group 		GF	N/A			

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	CFO 4.3.1b 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 authorization and approval processes. Ensuring that these controls are an integral part of the authority's underlying framework of corporate governance and that they are reflected in its local code	<ul style="list-style-type: none"> System of internal control audited by both Internal Audit and the External Auditor and reported on annually via the Annual Governance Statement 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> Audit Committee 	GF	N/A		
		<ul style="list-style-type: none"> Work programme of the Audit Committee provides for systematic reporting of all work undertaken by Internal Audit as well as progress monitoring on other corporate themes (eg Information Governance) 	GF	Jun 2013		Sep 2013
		<ul style="list-style-type: none"> Annual Governance Statement 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> CGOG maintain a self-assessment checklist that is based on the CIPFA / SOLACE guidance on governance for local authorities 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> Whistleblowing policy established under the Public Interest Disclosure Act 1998 and regularly publicised and updated. Policy covers employees, partners and contractors 	MT	2009	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken in 2013	Dec 2013
		<ul style="list-style-type: none"> Separate Whistleblowing policy for primary schools 	MT	2009	A further review of the whistleblowing policy and associated reporting arrangements will be undertaken in 2013	Dec 2013

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		<ul style="list-style-type: none"> Policy is periodically publicised via staff publications, newsletters, key messages etc 	MT	On-going	Awareness of the policy will be considered as part of the wider review	Dec 2013
4.4 Using their legal powers to the full benefit of the citizens and communities in their area	4.4.1 Actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities	<ul style="list-style-type: none"> Constitution including new leadership model arrangements 	CD	Feb 2013		
		<ul style="list-style-type: none"> Officer Scheme of Delegation. Executive member Scheme of Delegation, Committee TOR 	CD	Feb 2013	Reviewed on an on-going basis	Annual Council 2014
		<ul style="list-style-type: none"> Job descriptions of key officers 	JB	TBA		
		<ul style="list-style-type: none"> Monitoring Officer / Chief Finance Officer / Head of Paid service and other statutory officers in place 	RF / GF / CD / HT / PD / DB	N/A		
		<ul style="list-style-type: none"> Corporate Governance Officer Group 	GF	May 2013		Oct 2013
		<ul style="list-style-type: none"> Lawyers, accountants and service professionals through their professional practices and involvement with professional societies and groups, including Law Society and ACSES 	CD / GF	N/A		
		<ul style="list-style-type: none"> Internal Audit 	GF	N/A		
		<ul style="list-style-type: none"> Annual Governance Statement 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> Local Code of Corporate Governance 	GF	Jun 2013		Jun 2014
		<ul style="list-style-type: none"> External Audit 	GF	N/A		
		<ul style="list-style-type: none"> Legislation monitoring 	CD	N/A		
		<ul style="list-style-type: none"> Legal and Democratic Services monitor reports to Executive, full Council and taken under delegated powers 	CD	N/A		
		<ul style="list-style-type: none"> Appropriate support to Directorates in dealing with legal issues 	CD	N/A		
<ul style="list-style-type: none"> Scrutinising draft Executive and County Council reports 	CD	N/A				

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		<ul style="list-style-type: none"> • Legal support provided to quasi judicial processes 	CD	N/A		
	4.4.2 Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law	<ul style="list-style-type: none"> • SEE 4.4.1 • Advice provided by Officers is minuted 	CD	N/A		
	4.4.3 Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice into their procedures and decision making processes	<ul style="list-style-type: none"> • SEE 4.4.1 				

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Principle 5 – Developing the capacity and capability of Members and officers to be effective							
5.1 Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	5.1.1 Provide induction programmes tailored to individual needs and opportunities for Members and officers to update their knowledge on a regular basis	• Induction training for Members	CD/AF	May 2013	Induction training for Members post 2013 election	Sep 2013	
		• Monitor Member attendance at seminars	AF	N/A			
		• Members ICT training carried out at Members seminars and full Council meeting days	AF	May 2013			
		• General training for staff on specific issues eg RM, Fraud etc and refreshed periodically to maintain awareness and as part of a succession strategy	JB	Refreshed on a periodic basis			
		• RPS Workshops include risk management training of staff	FS	As and when required			
		• Procurement training including Financial Procedure Rules, Contract Procedure Rules plus Property Procedure Rules	DH	TBA			
		• Learning and Development Policy in place	JB	N/A			
		• Corporate Induction Policy	JB	N/A			
	5.1.2 Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.	• Induction training for Members	CD/AF	May 2013	Induction training for Members post 2013 election	Sep 2013	
		• Appraisal documents and process recently reviewed in line with new behaviours and skills competencies	JB	Mar 2012			
		• E learning package for appraisals in place	JB	Mar 2012			
		• Development of content on intranet to support information governance	GF	Jan 2013	Mandatory Training for staff	N/A	

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		<ul style="list-style-type: none"> Behaviour and skills framework as part of new on line appraisal 	JB	Jan 2013	Further review	Jan 2014	
		<ul style="list-style-type: none"> On line appraisal process 	JB	Mar 2012			
	CFO 5.1.2a	<p>Ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role</p> <ul style="list-style-type: none"> Current CFO has local government service since 1991 and has been in variety of senior finance and other roles within NYCC. The Senior Management Team similarly has a high degree of experiences of working in local government which provides a strong base. 	GF	May 2013	Restructuring carried out to reflect retirements and need for savings.	N/A	
	CFO 5.1.2b	<p>Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised</p>	<ul style="list-style-type: none"> These are regularly reviewed by the Chief Executive as part of the formal appraisal process 	RF	Annual		
			<ul style="list-style-type: none"> All the non-financial responsibilities are seen as complementary to the core role of S.151 Officer 	GF	N/A		
			<ul style="list-style-type: none"> CFO has the support of officers within Strategic Resources with the specialist skills necessary to undertake the non-financial activities 	GF	N/A		
	CFO 5.1.2c	<p>Provide the finance function with the resources, expertise and systems necessary to perform its role effectively</p>	<ul style="list-style-type: none"> Effectiveness of the CFO in performing this role is reflected each year in the annual report of the External Auditor 	GF	Sep 2012		Sep 2013
			<ul style="list-style-type: none"> Audit Committee monitors the position re the annual review of the Role of the CFO 		Annual		
	5.2 Developing the capability of people	5.2.1 Assess the skills required by Members,	<ul style="list-style-type: none"> Induction training for Members 	CD / AF	May 2013	Induction training for Members post	Sep 2013

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with governance responsibilities and evaluating their performance, as individuals and as a group	officers and managers and make a commitment to develop those skills to enable roles to be carried out effectively				2013 election	
		<ul style="list-style-type: none"> • Monitor Member attendance at seminars 	AF	N/A		
		<ul style="list-style-type: none"> • Members ICT training carried out at Members seminars and full Council meeting days 	AF	May 2013		
		<ul style="list-style-type: none"> • Appraisal documents and process recently reviewed in line with new behaviours and skills competencies 	JB	Mar 2012		
		<ul style="list-style-type: none"> • E learning package for appraisals in place 	JB	Mar 2012		
		<ul style="list-style-type: none"> • Development of content on intranet to support information governance 	GF	Jan 2013	Mandatory training for staff	N/A
		<ul style="list-style-type: none"> • Behaviour and skills framework as part of new on line appraisal 	JB	Jan 2013	Further review	Jan 2014
		<ul style="list-style-type: none"> • On line appraisal process 	JB	Mar 2012		
	<ul style="list-style-type: none"> • Managers' pocket book 	JB	Mar 2013			
	CFO 5.2.1a Embed financial competencies in person specifications and appraisals	<ul style="list-style-type: none"> • Job descriptions for staff in SR that undertake finance related activities include a related job specification that indicates the financial skills required to undertake the post 	GF	N/A		
		<ul style="list-style-type: none"> • Training needs of staff are identified by the appraisal process and accumulated into the F&CS training plan 	GF	N/A		
		<ul style="list-style-type: none"> • Formal training in place for accountants and accounting technicians 	GF	N/A		
	CFO 5.2.1 b Ensure that	<ul style="list-style-type: none"> • Role of the Executive (and Scrutiny Committee Chairmen) in relation to 	GF	N/A		

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	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 on-going basis to help them discharge their responsibilities	Budget monitoring is well defined				
		<ul style="list-style-type: none"> Portfolio Members are also supported by Assigned Accountants at Directorate level 	GF	N/A		
		<ul style="list-style-type: none"> New Members are provided with training on financial matters as part of their induction programme 	GF	May 2013		
		<ul style="list-style-type: none"> Similar arrangements apply for Members of the Audit Committee 	GF	TBA		
		<ul style="list-style-type: none"> Workshops are arranged for all Members during the Budget / MTFS process 	GF	March 2013		
	<ul style="list-style-type: none"> Additional workshops, etc, will be provided if requested by Members, Scrutiny Committees, etc 	GF	As and when required			
5.2.2	Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	<ul style="list-style-type: none"> See 5.2.1 				
5.2.3	Ensure that arrangements are in place for reviewing the performance of the executive as a whole and of individual Members and agreeing an action plan which might for example aim to address any training or development needs	<ul style="list-style-type: none"> Members ICT training carried out at Members seminars and full Council meeting days 	AF	May 2013		
		<ul style="list-style-type: none"> Report on the Authority's Performance to the Independent Panel on the Remuneration of Members 	DBa	Dec 2012		Dec 2013
5.3 Encouraging new talent for membership	5.3.1 Ensure that effective arrangements are in	<ul style="list-style-type: none"> Community Plan and Strategy 	NI	Dec 2011	Development of Plan beyond 2014	May 2014

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of the authority so that best use can be made of resources in balancing continuity and renewal	place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority	• Council Plan	NI	Annual		
		• Equality and Diversity Statement	NI	Feb 2012		
		• Equality Impact Assessment process	NI	Dec 2012		
		• Citizens Panel	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		• Annual Report on Scrutiny	NI	Annual		
		• MTFS consultation including priorities / Council Plan	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		• Local Government North Yorkshire and York (LGNYY)	Executive / Management Board	2011		
		• A Communication Strategy in respect of the corporate objectives has been developed, approved and implemented and is regularly reviewed	NI	Annual		
	• Corporate objectives and aims are set out in key documents (annual plans etc) on the County Council's website and intranet site	NI	Annual			
5.3.2	Ensure that career structures are in place for Members and officers to encourage	• Members ICT training carried out at Members seminars and full Council meeting days	AF	May 2013		
		• Middle Managers' development	JB		Further	

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	participation and development	programme in place			development of management development on-line platform (JB)	Mar 2015
					Rollout of management development facility (JB)	Mar 2015
Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability						
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders including partnerships, and develops constructive accountability relationships	6.1.1 Make clear to themselves, all staff and the community, to whom they are accountable and for what	<ul style="list-style-type: none"> Core set of strategies, policies and plans including <ul style="list-style-type: none"> → Community Plan and Strategy → Council Plan 	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		<ul style="list-style-type: none"> 5 Overview & Scrutiny Committees 7 Area Committees 	NI	Annual 2011		
		<ul style="list-style-type: none"> Local Government North Yorkshire York (LGNYY) 	CD	Feb 2013	On-going review of operation	Mar 2014
		<ul style="list-style-type: none"> Equality and Diversity Statement Equality Impact Assessment process 	Executive / Management Board	2011		
		<ul style="list-style-type: none"> MTFS consultation including priorities / Council Plan 	NI	Feb 2012		
		<ul style="list-style-type: none"> Self assessment on The Code of Recommended Practice for Local Authorities on Data Transparency 	NI	Dec 2012		
		<ul style="list-style-type: none"> MTFS consultation including priorities / Council Plan 	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		<ul style="list-style-type: none"> Self assessment on The Code of Recommended Practice for Local Authorities on Data Transparency 	GF	TBA		
	6.1.2 Consider those institutional stakeholders to whom they are accountable	<ul style="list-style-type: none"> Community Plan and Strategy 	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		<ul style="list-style-type: none"> Council Plan 	NI	Annual		
<ul style="list-style-type: none"> Equality and Diversity Statement 		NI	Feb 2012			

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	and assess the effectiveness of the relationships and any changes required	<ul style="list-style-type: none"> Equality Impact Assessment process 	NI	Dec 2012		
		<ul style="list-style-type: none"> → Supporting process through media relations and communications activity 	HE	N/A		
		<ul style="list-style-type: none"> Citizens Panel 	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		<ul style="list-style-type: none"> MTFS consultation including priorities / Council Plan 	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		<ul style="list-style-type: none"> Local Government North Yorkshire and York (LGNYY) 	Executive / Management Board	2011		
		<ul style="list-style-type: none"> Consultations on specific proposals particularly as a result of budget savings 	GF	Feb 2013	Savings proposals as per Budget 2	24 July 2013
		<ul style="list-style-type: none"> Participation in Community Engagement forums 	NI	2011		
		<ul style="list-style-type: none"> Specialist forms eg physical and sensory impairment, older people 	HT	TBA		
		<ul style="list-style-type: none"> Health & Wellbeing Board 	HT	Mar 2013		
	6.1.3	Produce an annual report on the activity of the scrutiny function	<ul style="list-style-type: none"> Annual report on Scrutiny Supporting democratic and scrutiny process through media relations and communications activity 	NI HE	Annual N/A	
6.2 Taking an active and planned approach to dialogue with and accountability to the	6.2.1 Ensure clear channels of communication are in place with all sections of the	<ul style="list-style-type: none"> Community Plan and Strategy 	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		<ul style="list-style-type: none"> Council Plan 	NI	Annual		
		<ul style="list-style-type: none"> County Councillors to act as 	RF	N/A		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
public to ensure effective and appropriate service delivery whether directly by the authority or in partnership	community and other stakeholders including monitoring arrangements and ensure that they operate effectively	Community Champions				
		• Equality and Diversity Statement	NI	Feb 2012		
		• Equality Impact Assessment process	NI	Dec 2012		
		→ Supporting process through media relations and communications activity	HE	N/A		
		• Citizens Panel	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		• Consultations on specific proposals particularly as a result of budget savings	GF	Feb 2013	Savings proposals as per Budget 2	24 July 2013
		• MTFS consultation including priorities / Council Plan	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		• Local Government North Yorkshire and York (LGNYY)	Executive / Management Board	N/A		
		• Participation in Community Engagement forums	NI	2011		
		• Joint Strategic Needs Assessment	HT	June 2012		TBC
• Corporate objectives and aims are set out in key documents (annual plans etc) on the County Council's website and intranet site	NI	Annual				
• Corporate Complaints Procedure	AF	2012 which improved links to performance agenda,	Procedure to be reviewed	2013		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
				introduced iCasework. Annual reports produced alongside performance reports		
		<ul style="list-style-type: none"> Statutory Adult's and Children's Social Care Complaints Procedures 	AF	N/A		
		<ul style="list-style-type: none"> Corporate complaints system publicised on intranet/internet site 	AF		Sites to be further developed	Autumn 2013
		<ul style="list-style-type: none"> Mandatory on line training module for all NYCC staff 	AF	Dec 2012		
		<ul style="list-style-type: none"> Standards Committee – monitor outcomes of complaints 	CD	N/A		
	6.2.2 Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	<ul style="list-style-type: none"> SEE 6.2.1 				
		<ul style="list-style-type: none"> Forward Plan and access to information arrangements 	CD	N/A		
		<ul style="list-style-type: none"> Process for coordinating and responding to FOI requests to ensure that statutory deadlines are met 	MT	Overall process formally reviewed in 2010	Process kept under on-going review to take account of any changes to corporate structures	On-going
		<ul style="list-style-type: none"> IGT and Legal advice on the application of FOI exemptions 	CD	N/A		
		<ul style="list-style-type: none"> Performance target for responding to FOI requests detailed in Veritau's performance indicators 	MT	April 2013. Performance exceeded target in 2012/13	N/A	N/A
	6.2.3 Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and	<ul style="list-style-type: none"> Internal Communication 	JB	N/A		
		<ul style="list-style-type: none"> Citizens Panel 	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	service users including a feedback mechanism for those consultees to demonstrate what has changed as a result.	<ul style="list-style-type: none"> Annual Report on Scrutiny MTFS consultation including priorities/Council Plan 	NI GF	Annual Feb 2013	Explore ways of increasing public participation	Feb 2014
		<ul style="list-style-type: none"> Local Government North Yorkshire and York (LGNYY) 	Executive / Management Board	N/A		
		<ul style="list-style-type: none"> NYSP Community Engagement Framework 	NI	2009	Review in progress	Apr 2014
		<ul style="list-style-type: none"> Council Plan approved by full Council 	NI	Annual		
		<ul style="list-style-type: none"> Community Plan 	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		<ul style="list-style-type: none"> Service Performance Plans 	GF	Jun 2013		
		<ul style="list-style-type: none"> A Communication Strategy in respect of the corporate objectives has been developed, approved and implemented and is regularly reviewed 	NI	Annual		
		<ul style="list-style-type: none"> Corporate objectives and aims are set out in key documents (annual plans etc) on the County Council's website and intranet site 	RF	Annual		
		<ul style="list-style-type: none"> Corporate Performance Management Group 	GF	24 May 2013	On-going review of effectiveness	1 July 2013
		<ul style="list-style-type: none"> Corporate Equality Group 	NI	May 2012		
		<ul style="list-style-type: none"> Behaviour and Skills Framework as part of new on line appraisal 	JB	Jan 2013	Further review	Jan 2014
		<ul style="list-style-type: none"> Managers' pocket book 	JB	Mar 2013		
		6.2.4	Performance plan giving information on the authority's vision, strategy, plans and	<ul style="list-style-type: none"> Community Plan Council Plan Internal Communication 	NI NI JB	Dec 2011 Annual N/A

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
	financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	• Citizens Panel	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		• Annual Report on Scrutiny	NI	Annual		
		• MTFS consultation including priorities/Council Plan	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		• Local Government North Yorkshire and York (LGNYY)	Executive / Management	2011		
		• NYSP Community Engagement Framework	NI	2009	Review in progress	Apr 2014
	6.2.5 Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.	• Community Plan	NI	Dec 2011	Development of Plan beyond 2014	May 2014
		• Council Plan	NI	Annual		
		• Internal Communication	JB	N/A		
		• Citizens Panel	NI	2012	To be included in 2013 procurement of consultation tool and support	Dec 2013
		• Annual Report on Scrutiny	NI	Annual		
		• MTFS consultation including priorities/Council Plan	GF	Feb 2013	Explore ways of increasing public participation	Feb 2014
		• Local Government North Yorkshire and York (LGNYY)(Executive / Management Board	2011		
		• NYSP Community Engagement Framework	NI	2009	Review in progress	Apr 2014
		• Service Performance Plans	GF	Apr 2013		Apr 2014
		• A Communication Strategy in respect of the corporate objectives has been developed, approved and implemented and is regularly	NI	Annual		

Delivering Good Governance in Local Government Principle	Requirement	NYCC Position	Lead Responsibility	Last Review Date	Improvement Action needed	Deadline
		reviewed				
		<ul style="list-style-type: none"> Corporate objectives and aims are set out in key documents (annual plans etc) on the County Council's website and intranet site 	RF	Annual		
		<ul style="list-style-type: none"> Corporate Performance Management Group 	GF	24 May 2013	On-going review of effectiveness	1 July 2013
		<ul style="list-style-type: none"> Corporate Equality Group 	NI	May 2012		
		<ul style="list-style-type: none"> Behaviour and skills framework as part of new on line appraisal 	JB	Jan 2013	Further review	Jan 2014
6.3 Making best use of resources by taking an active and planned approach to meet responsibility to staff	6.3.1 Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	<ul style="list-style-type: none"> Supporting process through media relations and communications activity 	HE	N/A		
		<ul style="list-style-type: none"> Staff Engagement Strategy 	JB		Use results of staff survey on employment offer to inform a revised staff engagement strategy (JB)	Sep 2014
		<ul style="list-style-type: none"> Communicate efficiently and effectively with our staff in a number of different ways to encourage two way communication 	HE	N/A	Replacement intranet being developed and will be implemented next year	Jun 2014
		<ul style="list-style-type: none"> Staff survey on employment offer carried out 	JB		No further action to be taken	

May 2013

Local Code of Corporate Governance

May 2013

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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 Statement of Final Accounts together with the Annual Governance Statement and

And a Community Plan in conjunction with local partners every three years.

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 – Strategic Resources 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

- 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 and Diversity Policy Statement
- Communication Strategy
- Partnership Working Guidance
- 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 twice yearly and as required. It 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.
- 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.
- 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 includes 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 adequacy of 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 responsibilities in relation to audit, information governance, counter fraud, risk management, treasury management, financial and performance reporting, as well as overall corporate governance. The Committee's terms of reference are set out in the Constitution and its principal objectives are to ensure that the County Council manages its risks appropriately and maintains an adequate and effective system of internal control. The Committee meets a minimum of five times a year and includes three co-opted external Members.

5.3 The Standards Committee currently meets twice yearly and as required 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. Additionally, Standards Committee Members participate in training sessions and in sub-committees dealing with complaints of alleged breaches of the Code and has in place arrangements for the receipt, assessment and determination of complaints about potential breaches of the Members' Code of Conduct. The Committee is attended by independent persons, as well as County Council Members.

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 – Strategic Resources, 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 – Strategic Resources. 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 overseen 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 from various sources regarding the adequacy of the internal control environment and overall corporate governance arrangements, including from the Head of Internal Audit. In addition, the effectiveness of internal audit 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 Scrutiny Chairs and
- 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, progress to address weaknesses 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 to address weaknesses every six months.

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

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 – Strategic Resources (**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.

(i) **Chief Executive (Head of Paid Service)**

Richard Flinton
 North Yorkshire County Council
 County Hall
 Northallerton
 North Yorkshire DL7 8AL
 Tel: 01609 532444 E-mail: richard.flinton@northyorks.gov.uk

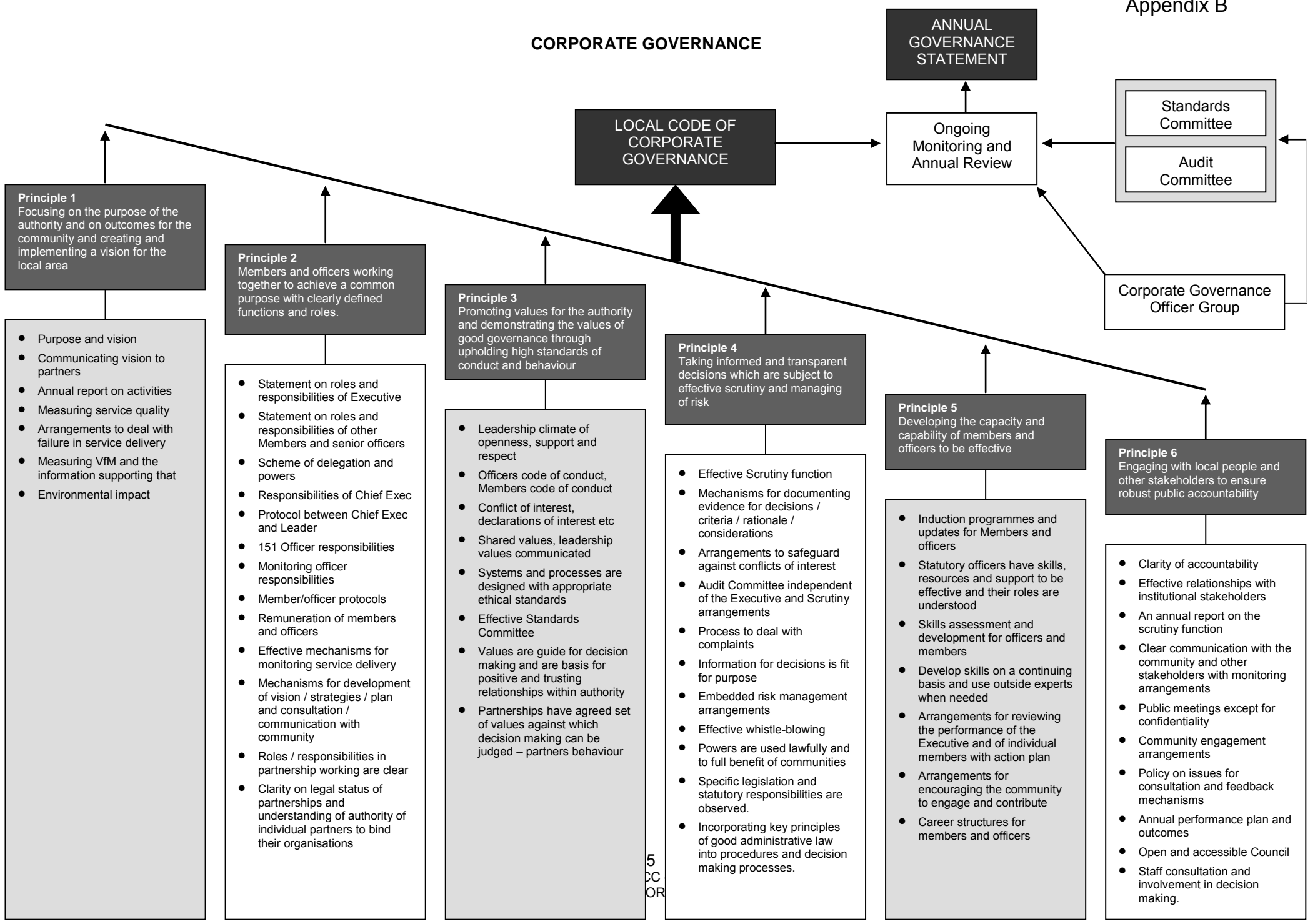
(ii) **Corporate Director – Strategic Resources (Section 151 Officer)**

Gary Fielding
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CORPORATE GOVERNANCE



Annual Governance Statement

2012/13

Updated May 2013

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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 approved by the Audit Committee in June 2012 and adopted by the County Council in October 2012. 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 – Strategic Resources (telephone 01609 533304 or email gary.fielding@northyorks.gov.uk . The Code will be reviewed by the Audit Committee in June 2013 to ensure it is compatible with any developments identified in this **Annual Governance Statement** for 2012/13.
- 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 2013 and up to the date of approval by the Audit Committee of this Statement alongside the Statement of Final Accounts (in June 2013).

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) translating the vision into objectives for the authority and its partnerships
 - (d) measuring the quality of services for users, to ensure they are delivered in accordance with the authority's objectives and they represent the best use of resources and value for money
 - (e) 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 for the authority and partnership arrangements
 - (f) developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

- (g) reviewing the effectiveness of the authority's decision making framework including delegation arrangements, decision making in partnerships and robustness of data quality
- (h) reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability
- (i) ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained
- (j) ensuring effective management of change and transformation
- (k) 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)*
- (l) ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the *Role of the Head of Internal Audit (2010)*
- (m) ensuring effective arrangements are in place for the discharge of the monitoring officer function
- (n) ensuring effective arrangements are in place for the discharge of the head of paid service function
- (o) undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committee – Practical Guidance for Local Authorities*
- (p) ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- (q) maintaining appropriate arrangements for whistle blowing and for receiving and investigating complaints from the public
- (r) identifying the development needs of members and senior staff in relation to their strategic roles, supported by appropriate training
- (s) establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation
- (t) enhancing the accountability for service delivery and effectiveness of other public service providers
- (u) incorporating good governance arrangements in respect of partnerships and other joint 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 vision, long term objectives and values 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 development of the Medium Term Financial Strategy. The 2012/15 Council Plan identified the priorities for improvement and was linked to the **North Yorkshire Community Plan 2011/14**. An updated Council Plan for 2013/16 was 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(s)** provides 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 environment 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) translating the vision into objectives for the authority and its partnerships

- based on the Council Plan and annual Budget / MTFS process, each Service Unit in each Directorate prepares a Service Performance Plan

which sets out its detailed objectives, performance targets, available resources and risk assessment.

- **Partnership arrangements** – as part of the annual report made to the Executive and Audit Committee on the governance arrangements and work of partnerships, each partnership is required to summarise its achievements in the year and priorities for the next year.

(d) 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 and value for money

- 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. Changes are being made to provide a more integrated monitoring report on key areas of operational activity and to report on the financial, HR, performance and customer related issues. This revised approach should provide a more holistic account of performance and value for money which, in turn, will assist in decision making. This is supplemented by more frequent reporting and monitoring processes within Directorates
- **comprehensive budgeting systems** are applied consistently across all Directorates
- Priority has been given to frontline services in determining the savings programme for 2011/12 to 2014/15. The One Council Programme has been instrumental in maintaining a focus on simplifying, standardising and sharing across the Council so that back office costs are kept to a minimum. This builds upon a protracted period of delivery savings through Gershon targets.
- in the past benchmarking statistics have shown an overall level of high performance and value for money for the County Council. The abolition of much of the national indicator set has made this increasingly difficult. Ofsted benchmarking data continues to show the County Council in a positive light but in other areas greater reliance is made on "softer" networking in order to identify areas of best practice across the country. An increased focus on team performance is also providing key management information to assess the productivity of staff and teams and ultimately services with a view to driving improvements in performance. This approach is to be incorporated into the quarterly

monitoring reports provided to the Executive and will help to shape budget thinking.

- the Once Council Change Programme is both a cultural and financial programme which seeks to simplify, standardise and share resources across the council so that back office costs can be reduced and the frontline prioritised. 9 workstreams were picked out for particular attention and a cashable saving of £7.644m was targeted for the One Council Programme by 31 March 2015. In 2012/13 £1.8m was delivered from the One Council Programme ahead of schedule. The Programme is on track to deliver the savings target and many of the workstreams are now in implementation stage. The values of protecting the frontline; sharper focus on performance; and putting the customer at the heart of our ways of working will continue to be values which shape inevitable change as the council faces further financial challenges.
 - 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
- (e) **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 in respect of the authority and partnership arrangements**

- **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 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 is elected by the Council at its annual meeting every four years in the election year, and s/he appoints the Executive Members, and determines their portfolios. The Executive set the Executive delegation scheme. The full Council is responsible for setting the budget and policy framework of the County Council

- the **Executive** is legally responsible for developing and making proposals to the Council for the budget and the policy framework and taking the decisions to implement them once they are agreed. If the executive wishes to make a decision this must be referred to the Council as a whole to decide. They are also responsible for all other functions not falling within the responsibility of the Council or any other committee. 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 at officer level, providing advice to Members, for co-ordinating the use of resources and the work of the Directorates. The 'Role of Management Board' is set out formally within the Constitution. 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**
- **Partnership Arrangements** the County Council's Constitution and Finance Procedure Rules contain a number of important steps to be considered before the County Council gets involved in a partnership, including the need for approval by the Executive or under the terms of the Delegation Schemes, of appropriate written governance arrangements and interaction with the County Council's decision making arrangements commensurate with the role of the partnership, the part played in it by the County Council, and the risks attached to that involvement. An annual report is made to the Executive and Audit Committee on the governance arrangements and work of partnerships.

(f) 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 monitors the operation of the Code of Conduct. The Committee has in place procedures for the assessment, investigation and determination of complaints against Members (involving Independent Persons) and a procedure for granting dispensations.
- Staff operate to a corporate behaviour and skills framework which is used to develop staff skills and monitor performance. A Manager's Pocket Book has been introduced in April 2013 outlining key behaviours of all managers in NYCC.
- 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

(g) reviewing the effectiveness of the authority's decision making framework including delegation arrangements, decision making in partnerships and robustness of data quality

- 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 – Strategic Resources 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 Head of Internal Audit on a regular basis
- **Partnership Arrangements** – the County Council's Constitution and Finance Procedure Rules contain a number of important steps to be considered before the County Council gets involved in a partnership, including the need for approval by the Executive or under the terms of the Delegation Schemes, of appropriate written governance arrangements and interaction with the County Council's decision making arrangements commensurate with the role of the partnership, the part played in it by the County Council, and the risks attached to that involvement. An annual report is made to the Executive and Audit Committee on the governance arrangements and work of partnerships.
- ***GF to add some words relating to the data quality self assessment that was done?***

(h) reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

- 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 2012/13. Implementation of the Action Plan is overseen by the Corporate Risk Management Group chaired by the Corporate Director – Strategic Resources. Risk Registers are developed and maintained at Corporate, Directorate and Service Unit levels. The generic risk assessment methodology is also applied to specific key projects or areas of policy development (eg Bedale and Leeming Bypass). 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
- Internal Audit (Veritau) review the effectiveness of the framework for identifying and managing risks on a regular basis. Any weaknesses identified are recorded in the Action Plan and progress to rectify those weaknesses is monitored by the Corporate Risk Management Group as well as Internal Audit.
- Progress reports on risk management are made on a 6 monthly basis to Audit Committee. Their role is to assess the effectiveness of the authority's risk management arrangements and to review progress on the implementation of risk management throughout the authority.
- Clear accountability is shown in both the Corporate Risk Management Policy and Strategy and as part of the risk register process.

(i) **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

- the County Council has approved and implemented a formal **Counter Fraud Strategy** which is reviewed annually by the Audit Committee. The Strategy is designed to minimise the risk of fraud and corruption by adopting and maintaining measures which prevent fraud occurring, that ensure instances of fraud which do occur are detected promptly and enable the robust action to be taken against any perpetrators.
- The **Counter Fraud Strategy** is aligned with a number of other policies and processes which the County Council has established to raise awareness of fraud risks and enable Members, employees, contractors and others to report concerns. These include fraud awareness training and publicity, the **Whistleblowing Policy** and associated systems, and the **Anti-Money Laundering Policy**.
- The risks of fraud and corruption are kept under constant review. A formal **Fraud and Loss Risk Assessment** is also completed each year by Internal Audit and the results are report to the Audit Committee. Preventative measures are taken to address any new or emerging risks.
- Where instances of fraud are detected, Internal Audit (Veritau) will work closely with management and other agencies to ensure that the allegations are fully investigated, the extent of any losses is quantified, evidence is properly collected for further action (including possible criminal or disciplinary action), losses are recovered where possible and appropriate measures are taken to prevent any further occurrences.

(j) **ensuring effective management of change and transformation**

- a significant degree of change is as a result of budget savings and this is monitored on an on-going basis as part of the Revenue Budget monitoring exercise as reported in the Quarterly Report to the Executive.
- significant areas of change will require Executive approval and will often involve updates being brought back to a future Executive meeting. One such example is the One Council Change Programme where the Executive authorised its implementation and receive both formal and informal update.
- significant change projects are managed by a Programme Board with appropriate governance arrangements. For example, the One Council Change Programme has the Budget Review Group as its Programme Board which contains the Chief Executive, Corporate Director Strategic Resources, Assistant Chief Executive Business Support and is supported by appropriate officers. The task of this Board, and others, is to ensure that benefits are realised and that progress is on track and, where not, that corrective actions are taken. Similar governance arrangements can be found throughout all Service Directorates where there are significant change or capital programme.

- There are also development interventions which are available for teams to utilise to support the embedding of new team structures, new ways of working and processes. These development interventions will also improve and support staff resilience in times of change, thus reducing health and wellbeing problems associated with significant change.
- a range of project and change managers specialist resource can be drawn upon where required. Guidance and training is available and provided across the council on project and change management where required.
- managing change is a key component in all of the staff development programme and particularly for management. The revised middle manager development programme has taken the opportunity to review material and bring together key support resources to assist.
- managers across the council are expected to embrace innovation and display the correct behaviours delivering change. This is set out in the behaviour and skills framework which is a fundamental part of the appraisal process.

(k) 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 – Strategic Resources** 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 – Strategic Resources(CD-SR) drafts a **Medium Term Financial Strategy** and presents it (as least) 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-SR 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-SR 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 Team of the Service Directorate and Strategic Resources.

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-SR 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-SR prepares and publishes an annual **Statement of Final Accounts** that conforms to all statutory and professional requirements, codes of practice and timetables

- the CD-SR 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 2012/13 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-SR 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-SR. It is also endorsed by the Audit Committee; progress against this Plan is reported quarterly to the CD-SR 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 and effectiveness 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

(l) ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010)

The Head of Internal Audit is responsible for reviewing and reporting on the adequacy and effectiveness of the County Council's control environment. The objective is to provide independent and objective assurance to management and those charged with governance, including the Corporate Director – Strategic Resources and the Audit Committee. Where weaknesses in control are identified then Internal Audit will support management to make the necessary improvements. The Financial Procedure Rules provide the overall framework for internal audit activities within the County Council, and define the respective roles and responsibilities of management and the Head of Internal Audit as well as confirming internal audit's rights of access to premises, information, records and other documentation. The specific objectives, scope and approach to internal audit are set out in the Audit Terms of Reference which are reviewed annually and subject to approval by the Audit Committee.

The CIPFA Statement on the Role of the Head of Internal Audit contains five principles which set out the governance arrangements necessary to ensure that the Head of Internal Audit is able to operate effectively and perform his/her core duties. The County Council's arrangements for internal audit have been assessed against the five principles and are considered to be compliant.

(m) ensuring effective arrangements are in place for the discharge of the monitoring officer function

CD to complete

(n) ensuring effective arrangements are in place for the discharge of the head of paid service function

CD to complete

(o) 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.

(p) 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 Localism Act 2011 relating to the promotion of high 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 – Strategic Resources 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 – Strategic Resources in developing and implementing a comprehensive Information Governance Framework
- The County Council operates an **Information Security Management System** which is certified to 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 Senior Information Security Compliance Officer working in conjunction with the Information Governance Team. Compliance was re-certified during 2011/12, with further audits by BSI (British Standards Institute) every six months.
- In addition, the County Council now operates an **Information Technology Service Management System** which was awarded certification to ISO/IEC 20000 in February 2013. ISO 20000 provides quality assurance to the processes, policies and procedures operated in the delivery of ICT Services to the council and is the only standard specifically aligned to Information Technology service delivery and service management. By achieving and maintaining certification of both standards this serves to deliver services which are compliant, quality assured, and provide continual improvement.

- ICT Services in North Yorkshire County Council are amongst only five other local authorities who have achieved certification to both these internal standards. Achieving certification to these standards demonstrates the County Councils continued commitment to protect the data we hold and provide secure IT systems to our staff, partners and citizens.
- The council is also amongst the first local authorities to be certified to the **Public Sector Network (PSN)** Code of Connect version 2.7. The certifications have enabled the Council, for example, to be certified for connection to secure video conferencing with the Criminal Justice System. The certification also enabled our connection to the NHS.net. The standards allow us to use both the British Standards Institute kite mark and the United Kingdom Accreditation Service assurance mark.
- 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 and Diversity Policy Statement** in February 2012 . The County Council has also published equality information and objectives as required by the Equalities Act 2010
- There is a comprehensive annual plan for Employment Policies to ensure that all policies and practices adhere to all relevant legislation. All policy updates go through a full consultation with Unions recognised by the County Council.
- **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/her overall opinion for the County Council as a whole. During 2012/13, the Audit Plan included audits on a number of corporate themes (eg complaints handling and information governance), 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.

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

- the County Council has approved and implemented a formal **Whistleblowing Policy** which is 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.

(r) 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 Member(s) and comprehensive induction following the election.
- 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.

(s) 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 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

(t) enhancing the accountability for service delivery and effectiveness of other public service providers

- the County Council and the other eight local authorities in North Yorkshire Police Force area have established the North Yorkshire Police and Crime Panel as a joint committee to scrutinise the new directly elected Police and Crime Commissioner as required by the Police Reform and Social Responsibilities Act 2011. The Panel arrangements were approved by the nine local authorities in May 2012 and the Panel undertook preparation work to enable it to take on its full role promptly when the Commissioner was elected in November 2012. The Panel is hosted by the County Council and has developed an initial work programme.
- The County Council has been undertaking an intensive work programme to prepare for its new duties under the Health and Social Care Act 2012 including the creation of the Health and Wellbeing Board in shadow format and procurement leading towards the establishment of the Local Healthwatch service, prior to both of them taking on their full roles in April 2013

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

- the County Council's Constitution and Finance Procedure Rules contain a number of important steps to be considered before the County Council gets involved in a partnership, including the need for approval by the

Executive or under the terms of the Delegation Schemes, of appropriate written governance arrangements and interaction with the County Council's decision making arrangements commensurate with the role of the partnership, the part played in it by the County Council, and the risks attached to that involvement. An annual report is made to the Executive and Audit Committee on the governance arrangements and work of partnerships was introduced in 2010/11, and has been refined through 2012/13.

- 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 – Strategic Resources 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. This area is picked up as part of the annual review of the Corporate Governance Checklist and the Corporate Director Strategic Resources is of the opinion that the County Council fully complies with the Statement.

5.0 **REVIEW OF EFFECTIVENESS**

5.1 The County Council has responsibility for formally conducting, at least annually, a review of the effectiveness of its governance framework including 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 the effectiveness relating to the development and maintenance of the governance 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 2012/13 relating to the governance and 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 governance and internal control systems is also informed by the work of Veritau who have responsibility for providing assurance on 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 2012/13 the Audit Committee met six times and -
- ➔ approved the Internal Audit work plan
 - ➔ considered the annual fraud and risk loss assessment
 - ➔ considered the work done by Veritau* throughout the year. Where necessary, confirmation was requested from Corporate Directors that improvements in control were being made in line with agreed action plans
 - ➔ considered the governance arrangements of the County Council's significant partnerships
 - ➔ ensured that the ongoing work in relation to improvement issues on Corporate Governance, Information Governance, Service Continuity 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 changes to the County Council's counter fraud policy framework
 - ➔ considered the Annual Report of 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 review of the effectiveness of the County Council’s internal audit arrangements as required by the Accounts and Audit Regulations 2011
- ➔ reviewed the Corporate Governance self assessment checklist and approved changes to the County Council’s Local Code of Governance
- ➔ monitored 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

6.3 All this work has been used in supporting the preparation of the County Council’s (ie this) Annual Governance Statement for 2012/13.

7.0 SIGNIFICANT GOVERNANCE ISSUES

7.1 The governance and internal control arrangements 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 governance and internal control arrangements continue to be regarded as fit for purpose in accordance with the governance framework during the financial year 2012/13. **There were, however, some areas identified which require attention to address weaknesses and ensure continuous improvement of governance and internal control arrangements; 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 governance and internal control arrangements.** Having regard to the published guidance on the governance framework, 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 2011/12 Annual Governance Statement. Some of these issues were not fully resolved in 2012/13, but all of these “incomplete” issues have reappeared in the Statements of Assurance for 2021/13 prepared by Corporate Directors. Therefore, the items included in the Table below represent a complete list of “issues requiring attention” in 2013/14

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
A1	<p>Economic Development</p> <p>Further support to the YNYERLEP through</p> <ul style="list-style-type: none"> • Acting as Accountable Body • Provide support to the YNYERLEP to develop a long term strategy for growth as part of competing for a single pot 	<p>(a) Utilise existing funding to best meet YNYERLEP priorities ensuring compliance with Accountable Body requirements</p> <p>(b) Produce the strategy for growth within set timescales focussed on business growth, infrastructure for growth and skills</p> <p>(c) Identify a robust governance model that meets</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
	<p>and against which future EU Funds will be allocated taking account of the withdrawal of City of York Council from the YNYERLEP</p> <p>Support the YNYERLEP in developing governance to meet new future arrangements with regard to devolved funding and powers</p>	<p>future arrangements through sound decision making, practical and demonstrable collaboration and clear priorities including a prioritised investment plan</p>
<p>A2</p>	<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"> • Considering the position in the light of the withdrawal of Government funding • Progressing the Allerton Waste Recovery Park (AWRP) project to a conclusion • Leading the YNY Waste Partnership in delivering updated Strategy for minimisation, reuse, recycling and disposal 	<ul style="list-style-type: none"> (a) 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 AWRP project (d) Continue to work with Yorwaste to develop and deliver a strategy for effective management of waste disposal across North Yorkshire.
<p>A3</p>	<p>Contract Management</p> <p>Improvements are sought in managing the Highways Maintenance Contract 2012 through implementation of agreed action plans. This particularly relates to ICT and Finance problems encountered in the first year of the contract (2012/13).</p> <p>Contract management health reports will be introduced for larger contracts / where they add value to ensure effective use of resources and delivery of services. Over 70% of BES expenditure is currently delivered through third party contracts.</p>	<ul style="list-style-type: none"> (a) Implement agreed action plans to resolve ICT and Finance problems associated with the HMC 2012, using a collaborative approach with other local authorities where beneficial. (b) Complete first annual review of the HMC 2012 contract and implement required actions / rectification action plans. (c) Roll out use of a scorecard mechanism to monitor contract management health across BES, starting with large contracts.
<p>A4</p>	<p>Market forces lead to increases in the price of care that cannot be</p>	<p>The Directorate continues to undertake negotiations and dialogue with the independent sector through the</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
	<p>contained within budgets, or threaten market disruption, and service continuity</p>	<p>Market Development Board. This is a forum comprising representatives from the independent sector, voluntary sector, health and NYCC. In the context of personalisation and transformational programme there is and will continue to be significant sharing of information to understand the market pressures within the County and take appropriate action as required. In addition there has been work with the independent sector to ensure business and service continuity. This should be viewed within the context of a national situation of increasing judicial challenge to those fees paid by Local Authorities. During 2012-13 NYCC received a challenge by Judicial review in relation to the Residential and Nursing Home Fees. A consent order has been agreed and proceeding stayed pending work on costs model. This work and discussions are on-going.</p> <p>The Directorate is also working with the market to provide more creative solutions and services rather than relying on the traditional approaches to meeting people's support requirements. During 2013-14 the Directorate will be developing a preventative services strategy to ensure citizens of North Yorkshire are aware of the universal services which are on offer and support them to live healthy and more independently.</p>
<p>A5</p>	<p>Implementation Change and the Improvement Agenda</p>	<p>The Directorate has an ambitious efficiency and transformational programme which seeks to make cost savings by improving service outcomes as well as disinvesting in traditional forms of service delivery. There has been investment in low level prevention services and supporting people at home through the use of preventative technology such as telecare. The priority is also to reduce reliance on residential care and support more people within their home as well as increase the range of supported accommodation through an Extra Care. In addition the Directorate continues to transform its in house personal care service to provide a reablement service. For the majority of clients requiring support from the Directorate it is intended that this service will be the initial service offer undertaking an assessment to determine the individual life skills and developing a plan to improve these and level of independence.</p> <p>The challenge will be to continue with this approach as resources continue to be squeezed and expectations from the public heighten. There may be additional service pressures arising from the Welfare Reforms.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
		<p>The Directorate will also need to preparation arrangements for the changes arising from the Social Care and Support White Paper in 2015 which extend the remit of the Directorate to a large number of clients previously not assessed by the Directorate (self funders), a statutory responsibility to provide services to carers, the introduction of national eligibility guideline for access to care and new financial limits on the total cost people can be expected to pay for care.</p>
A6	<p>Health challenges</p>	<p>The Directorate will need to establish new financial and operational working arrangements arising from the dissolution of North Yorkshire and York PCT and the creation of local CCG's, Health England as well as the existing acute and community service providers.</p> <p>The Health and Well being board will cease to be in shadow form from March 2013 which in turn will extend and bring new responsibilities to the local authority. The Directorate and the Director of Public Health will play a pivotal role in driving this agenda forward.</p> <p>The local health economy continues to be under severe financial strain and opportunities may exist to address this through health and social care integration. Initial exploratory discussions have been undertaken with the CCG's to create an integrated board to provide the officer forum to explore the options and drive this agenda forward.</p>
A7	<p>CYPS - Maintaining and improving performance while reducing budget by over £20m in the 4-year period 2011-15, increased from the original target of £15.8m as a result of the financial settlement in December 2012.</p>	<p>The Directorate's approach to achieving the challenging savings demanded of it has involved a radical review of all parts of the service.</p> <p>The objective has been to protect front-line services as much as possible to enable a reorganised Directorate to operate effectively across its universal, preventative, targeted and acute service responsibilities, in line with legislation.</p> <p>The savings programme has affected every part of the service, although the impact has been particularly heavy on management and administration.</p> <p>While the original target was very much front-loaded into years 1 and 2, the additional targets have meant that some additional savings are required in years 3 and 4. Nevertheless, this still means that nearly 75% o the revised target has been met by March 2013. The Directorate will seek to ensure that the impact</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
		<p>of the cuts is not felt on the frontline where that is possible. At the same time, externally-driven pressures on the County Council and on partners, such as the NHS, will be monitored. There are risk that the Directorate's work will be compromised by these demands at a time when the landscape for services affecting children is changing rapidly.</p> <p>Prior to 2012-13, in reports to Executive Members, the Director highlighted the issue of budget pressures arising from changes in national policy or other priorities linked to the Children and Young People's Plan including Family and Friends Care, Troubled Families and issues around vulnerable teenagers. It was anticipated that these pressures would have to be found from within the Directorate's own resources and therefore some headroom was made available all this has had to be reviewed in light of the additional savings targets.</p> <p>While the Directorate itself has contracted to a sustainable position, despite the reduction in resources, it will continue to assess, and react to, external demands and interventions which would otherwise destabilise its work. These might be the impact on partners mentioned above, or the knock-on effect to LA budgets of the Academies programme.</p> <p>In particular, new funding arrangements for Academies mean that the Council will now lose core funding for every conversion and we will monitor this carefully throughout the year.</p>
A8	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

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
		<ul style="list-style-type: none"> • 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>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>
A9	<p>Medium Term Financial Strategy</p> <ul style="list-style-type: none"> • Need to ensure a coherent savings programme for 2013/14 to 2014/15. • Need to provide a financial plan for the period 2015/16 and beyond in order to provide a framework for future discussions about the role of the council and what it can afford to deliver. 	<p>The MTFS agreed in February 2013 ensured a funded budget up to and including 2014/15. However, recurring savings of £3.8m are still required and further Government funding cuts are anticipated in 2014/15. A further budget report will be taken to County Council by early autumn at the latest which ensures an on-going balanced budget with recurring savings proposals being implemented.</p> <p>Further funding scenarios will be worked up which identify the likely funding envelope beyond 2014/15. This will incorporate the “mini spending review” expected on 20 June 2013.</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 on-going basis. Any material</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
		variations will be reported to the Executive so that appropriate action can be taken as considered necessary.
A10	<p>Information Governance</p> <ul style="list-style-type: none"> • Need to review actions in relation to Information Governance to date and identify further improvements. • Need to ensure that information security and information integrity are more generally valued by staff across the council. 	<p>The Corporate Information Governance Group (CIGG) will review progress at each of its meetings and has produced a further updated action plan. This action plan will be implemented and improved throughout the year.</p> <p>Mandatory training has been provided for staff on information management and compliance will be monitored on an on-going basis.</p> <p>Revised arrangements for tracking and reporting investigation of breaches have been implemented and will be reviewed with a view to improving.</p>
A11	<p>ICT Strategy</p> <ul style="list-style-type: none"> • A Corporate ICT Strategy needs to be developed which recognises the funding position and the councils business needs over the medium term. 	<p>The Microsoft roll out plan will be concluded and the functionality within it will be exploited further in order to deliver operational benefits.</p> <p>Discussions have taken place with senior managers across the council about the business needs for ICT Services. This dialogue will remain on-going and the action plan produced will be implemented, monitored and reviewed accordingly.</p> <p>The product of those discussions and ICT services work on rationalising data and systems will be brought together into a single Corporate ICT Strategy which will be presented to Management Board in 2013/14 for sign off. This will consider the best way of ensuring on-going business engagement.</p>
A12	<p>Superfast North Yorkshire</p> <ul style="list-style-type: none"> • Need to ensure successful delivery of Superfast Broadband by BT following procurement. • Also need to identify opportunities to enhance the Broadband offer for the 10% of North Yorkshire who are likely to receive Broadband below Superfast speeds. 	<p>On-going monitoring of the roll-out by the Superfast North Yorkshire Board.</p> <p>On-going business engagement work including the LEP to support delivery of grant funded outcomes such as ERDF.</p> <p>Funding opportunities for the extra 10% to be explored with BDUK and other potential funders.</p>

Ref	Issue requiring improvement	Action taken to date / planned 2013/14
A13	<p>Performance</p> <ul style="list-style-type: none"> Ensuring that a comprehensive approach is taken to performance across the Council and that there is an on-going pursuit of increased productivity. 	<p>Implementation of changes to performance management arrangements and an increased focus within the Council on innovation and how productivity can be increased. Some of this will involve taking on the values and approach of One Council to shape new ways of working.</p>

8.0 SUMMARY

- 8.1 The governance framework operating during 2012/13 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.

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)

.....
Gary Fielding
Corporate Director – Strategic
Resources (Section 151 Officer)

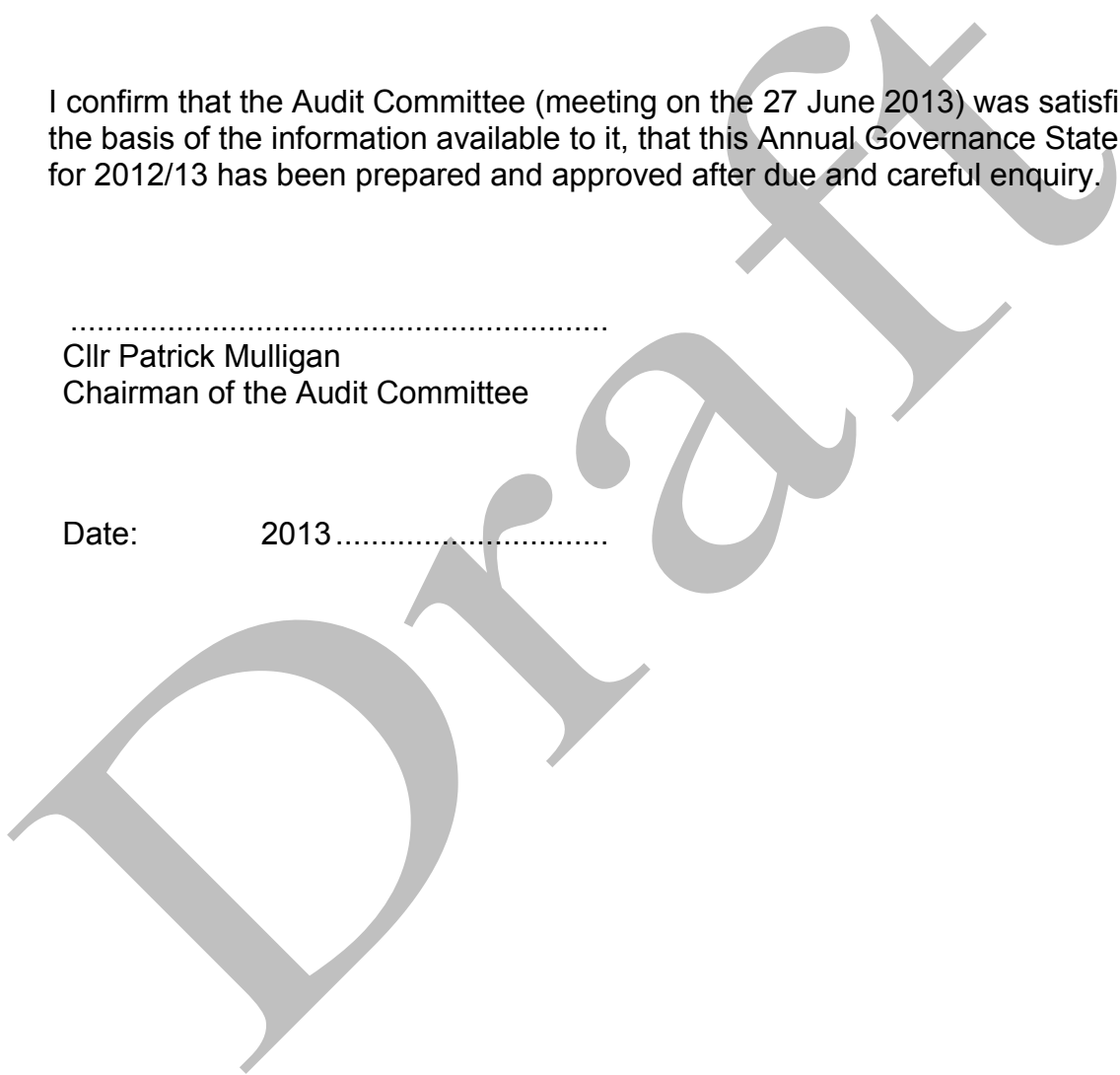
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Date:

9.2 I confirm that the Audit Committee (meeting on the 27 June 2013) was satisfied, on the basis of the information available to it, that this Annual Governance Statement for 2012/13 has been prepared and approved after due and careful enquiry.

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

Date: 2013.....



NORTH YORKSHIRE COUNTY COUNCIL

STATEMENT OF ASSURANCE 2012/13 BY CORPORATE DIRECTOR – BUSINESS & ENVIRONMENTAL SERVICES

The 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. In discharging this accountability, all Members and senior officers of the County Council are responsible for putting in place proper risk management processes and internal controls to ensure the proper stewardship of the resources at its disposal.

As a Corporate Director and member of the Management Team, I have corporate responsibility for maintaining a system of sound internal controls and risk management processes within the County Council and service management responsibility for maintaining a system of sound internal controls and risk management processes within the Business & Environmental Services Directorate that support the achievement of both Corporate and the Directorate's objectives.

The system of internal controls is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As a Corporate Director, I have responsibility for reviewing the effectiveness of the system of internal control and risk management processes in the Business & Environmental Services Directorate. My review of the effectiveness of the system of internal controls has taken into account the following:-

- adequacy and effectiveness of management review processes
- outcomes from the formal risk assessment and evaluation process (Directorate Risk Register)
- relevant self-assessments of key service areas within the Directorate
- relevant internal audit reports and results of follow ups regarding implementation of recommendations
- outcomes from reviews of services by other bodies including Inspectorates, external auditors etc
- the framework of controls that operate in relation to individual partnerships where some aspects of the necessary controls are the responsibility of the partner to operate /apply

I confirm that Business & Environmental Services Directorate have a full set of service continuity plans and that they will continue to be refreshed as and when necessary and at least on an annual basis.

I am satisfied that a sound system of internal control has been in place throughout the 2012/13 financial year and is ongoing in the Business & Environmental Services Directorate. Nevertheless, during the year my review work has identified some areas for improvement and these are set out in the *attached schedule*. I propose to take steps to address the matters so identified which should enhance the system of internal controls. I will be monitoring to ensure their effective implementation and operation.

I also understand that this Statement of Assurance will be relied upon by those Members and Officers signing the Annual Governance Statement 2012/13 (the "Document") and by the Audit Committee reporting on the Document.

I therefore confirm that I am not aware of any material statement in, or omission from, the Document which would make the Document misleading. In respect of the Directorate for which I am responsible I can confirm that I have made due and careful inquiry and that the statements relating to my Directorate, in particular those contained in Section 3 of the Document, fairly represent the key elements of the internal control environment within my Directorate. I also confirm that there are no matters relating to my Directorate omitted from Section 7 of the Document which, in my view, merited inclusion.

The assurances given above are all based upon the information that has been made available to me.

Signed:

Corporate Director - Business & Environmental Services

Date:

AREAS FOR IMPROVEMENT IDENTIFIED
BUSINESS & ENVIRONMENTAL SERVICES DIRECTORATE

Areas for improvement in 2012/13		Action proposed
A	<p>Economic Development</p> <p>Further support to the YNYERLEP through</p> <ul style="list-style-type: none"> • Acting as Accountable Body • Provide support to the YNYERLEP to develop a long term strategy for growth as part of competing for a single pot and against which future EU Funds will be allocated taking account of the withdrawal of City of York Council from the YNYERLEP • Support the YNYERLEP in developing governance to meet new future arrangements with regard to devolved funding and powers 	<ul style="list-style-type: none"> (a) Utilise existing funding to best meet YNYERLEP priorities ensuring compliance with Accountable Body requirements (b) Produce the strategy for growth within set timescales focussed on business growth, infrastructure for growth and skills (c) Identify a robust governance model that meets future arrangements through sound decision making, practical and demonstrable collaboration and clear priorities including a prioritised investment plan
B	<p>Infrastructure Developments</p> <p>Ensure maximum benefit derived from infrastructure investment through</p> <ul style="list-style-type: none"> • Continue the coordination of the infrastructure development of the County relative to the Local Development Frameworks with our partners as relevant • Continue to implement highway asset management principles as part of management of the highway network 	<ul style="list-style-type: none"> (a) Continue to progress the work of the Infrastructure Delivery Steering Group within the County Council and working with District Council partners (b) Introduce a two year programme to maintain / enhance the County's highways infrastructure
C	<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"> • Considering the position in the light of the withdrawal of Government funding • Progressing the Allerton Waste Recovery Park (AWRP) project to a conclusion 	<ul style="list-style-type: none"> (a) 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

AREAS FOR IMPROVEMENT IDENTIFIED
BUSINESS & ENVIRONMENTAL SERVICES DIRECTORATE

Areas for improvement in 2012/13	Action proposed
<ul style="list-style-type: none"> • Leading the YNY Waste Partnership in delivering updated Strategy for minimisation, reuse, recycling and disposal 	<p>infrastructure outside the AWRP project</p> <p>(d) Continue to work with Yorwaste to develop and deliver a strategy for effective management of waste disposal across North Yorkshire.</p>
<p>D MTFS Savings Deliver savings projected in MTFS, MTFS2 and the One Council programme; identify new savings as further requirements are identified.</p>	<p>(a) Delivery of savings programme over the remaining period.</p> <p>(b) Regularly monitor savings achieved compared to projections as part of on-going service and financial monitoring.</p> <p>(c) Identify any further savings that are deliverable to contribute to further additional savings requirements faced by the County Council.</p>
<p>E Cultural Change Continue to monitor new ways of working in line with One Council principles ensuring they are reflected as business as usual.</p>	<p>(a) The Management Team to continue to positively cascade the One Council message, providing clarity as needed.</p> <p>(b) Actively identify and implement internal efficiency savings by simplifying, sharing and standardising business processes and making the best use of existing ICT systems, such as Symology and Oracle.</p> <p>(c) Report on the level of success on a regular basis including an annual review.</p>
<p>F Contract Management Improvements are sought in managing the Highways Maintenance Contract 2012 through implementation of agreed action plans. This particularly relates to ICT and Finance problems encountered in the first year of the contract (2012/13).</p>	<p>(a) Implement agreed action plans to resolve ICT and Finance problems associated with the HMC 2012, using a collaborative approach with other local authorities where beneficial.</p> <p>(b) Complete first annual review of the HMC 2012 contract and implement required actions / rectification action plans.</p>

**AREAS FOR IMPROVEMENT IDENTIFIED
BUSINESS & ENVIRONMENTAL SERVICES DIRECTORATE**

Areas for improvement in 2012/13		Action proposed
	Contract management health reports will be introduced for larger contracts / where they add value to ensure effective use of resources and delivery of services. Over 70% of BES expenditure is currently delivered through third party contracts.	(c) Roll out use of a scorecard mechanism to monitor contract management health across BES, starting with large contracts.
G	<p>Performance across BES</p> <p>Use corporate performance management principles to effectively manage performance in BES and as part of prioritising the use of resources.</p>	<p>(a) Actively engage with developments in performance management including future arrangements for Q reporting.</p> <p>(b) Implement performance tools (e.g. service scorecards) to further drive and embed performance management at team and individual level.</p>

NORTH YORKSHIRE COUNTY COUNCIL

STATEMENT OF ASSURANCE 2012/13 BY CORPORATE DIRECTOR – CHILDREN & YOUNG PEOPLE'S SERVICES

The 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. In discharging this accountability, all Members and senior officers of the County Council are responsible for putting in place proper risk management processes and internal controls to ensure the proper stewardship of the resources at its disposal.

As a Corporate Director and member of the Management Team, I have corporate responsibility for maintaining a system of sound internal controls and risk management processes within the County Council and service management responsibility for maintaining a system of sound internal controls and risk management processes within the Children & Young People's Services Directorate that support the achievement of both Corporate and the Directorate's objectives.

The system of internal controls is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As a Corporate Director, I have responsibility for reviewing the effectiveness of the system of internal control and risk management processes in the Children & Young People's Services Directorate. My review of the effectiveness of the system of internal controls has taken into account the following:-

- adequacy and effectiveness of management review processes
- outcomes from the formal risk assessment and evaluation process (Directorate Risk Register)
- relevant self-assessments of key service areas within the Directorate
- relevant internal audit reports and results of follow ups regarding implementation of recommendations
- outcomes from reviews of services by other bodies including Inspectorates, external auditors etc
- the framework of controls that operate in relation to individual partnerships where some aspects of the necessary controls are the responsibility of the partner to operate / apply

I confirm that Children & Young People's Services Directorate have a full set of service continuity plans and that they will continue to be refreshed as and when necessary and at least on an annual basis.

I am satisfied that a sound system of internal control has been in place throughout the 2012-13 financial year and is ongoing in the Children & Young People's Services Directorate. Nevertheless, during the year my review work has identified some areas for improvement and these are set out in the *attached schedule*. I propose to take steps to address the matters so identified which should enhance the system of internal controls. I will be monitoring to ensure their effective implementation and operation.

I also understand that this Statement of Assurance will be relied upon by those Members and Officers signing the Annual Governance Statement 2012/13 (the "Document") and by the Audit Committee reporting on the Document.

I therefore confirm that I am not aware of any material statement in, or omission from, the Document which would make the Document misleading. In respect of the Directorate for which I am responsible I can confirm that I have made due and careful inquiry and that the statements relating to my Directorate, in particular those contained in Section 3 of the Document, fairly represent the key elements of the internal control environment within my Directorate. I also confirm that there are no matters relating to my Directorate omitted from Section 7 of the Document which, in my view, merited inclusion.

The assurances given above are all based upon the information that has been made available to me.

Signed:

Corporate Director – Children & Young People's Services

Date :

AREAS FOR IMPROVEMENT IDENTIFIED

CHILDREN & YOUNG PEOPLE'S SERVICES DIRECTORATE

Areas for improvement in 2012/13	Action proposed
<p>A Maintaining and improving performance while reducing budget by over £20m in the 4-year period 2011-15, increased from the original target of £15.8m as a result of the financial settlement in December 2012.</p>	<p>The Directorate's approach to achieving the challenging savings demanded of it has involved a radical review of all parts of the service.</p> <p>The objective has been to protect front-line services as much as possible to enable a reorganised Directorate to operate effectively across its universal, preventative, targeted and acute service responsibilities, in line with legislation.</p> <p>The savings programme has affected every part of the service, although the impact has been particularly heavy on management and administration.</p> <p>While the original target was very much front-loaded into years 1 and 2, the additional targets have meant that some additional savings are required in years 3 and 4. Nevertheless, this still means that nearly 75% of the revised target has been met by March 2013. The Directorate will seek to ensure that the impact of the cuts is not felt on the frontline where that is possible. At the same time, externally-driven pressures on the County Council and on partners, such as the NHS, will be monitored. There are risk that the Directorate's work will be compromised by these demands at a time when the landscape for services affecting children is changing rapidly.</p> <p>Prior to 2012-13, in reports to Executive Members, the Director highlighted the issue of budget pressures arising from changes in national policy or other priorities linked to the Children and Young People's Plan including Family and Friends Care, Troubled Families and issues around vulnerable teenagers. It was anticipated that these pressures would have to be found from within the Directorate's own resources and therefore some headroom was made available all this has had to be reviewed in light of the additional savings targets.</p> <p>While the Directorate itself has contracted to a sustainable position, despite the reduction in resources, it will continue to assess, and react</p>

**AREAS FOR IMPROVEMENT IDENTIFIED
CHILDREN & YOUNG PEOPLE'S SERVICES DIRECTORATE**

	Areas for improvement in 2012/13	Action proposed
		<p>to, external demands and interventions which would otherwise destabilise its work. These might be the impact on partners mentioned above, or the knock-on effect to LA budgets of the Academies programme.</p> <p>In particular, new funding arrangements for Academies mean that the Council will now lose core funding for every conversion and we will monitor this carefully throughout the year.</p>
B	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>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

**AREAS FOR IMPROVEMENT IDENTIFIED
CHILDREN & YOUNG PEOPLE'S SERVICES DIRECTORATE**

Areas for improvement in 2012/13	Action proposed
	<p style="text-align: center;">higher levels of need</p> <ul style="list-style-type: none"> • 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>
<p>C Maximise Resources and use them fairly across North Yorkshire schools and settings.</p>	<p>The current national debate regarding school funding and the government's introduction of new arrangements for 2013-14 and beyond create substantial risks for schools in North Yorkshire. While CYPS will continue with its main priority in this area which is to act as an advocate for schools in North Yorkshire and to ensure that the Council contributes to the debate regarding the funding of all types of schools, work will also focus on preparing for the impact of the DfE's post-implementation review, working with the Schools Forum to minimise damage to the county's schools.</p> <p>At a local level CYPS will continue to pursue its policy of maximising delegation to schools, where school feel that is appropriate, to support school autonomy and schools' shared priorities. However this will now need to take place within the constraints being imposed upon local authorities by the government.</p> <p>At the same time CYPS will ensure that there is effective management of centrally co-ordinated DSG resources and demonstrate Value for Money in traded services and also in CYPS-funded services which are free at the point of use for maintained schools, or provided on a fee basis to others (including Academies).</p>

2012/13

NORTH YORKSHIRE COUNTY COUNCIL**STATEMENT OF ASSURANCE 2012/13
BY CORPORATE DIRECTOR – HEALTH & ADULT SERVICES**

The 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. In discharging this accountability, all Members and senior officers of the County Council are responsible for putting in place proper risk management processes and internal controls to ensure the proper stewardship of the resources at its disposal.

As a Corporate Director and member of the Management Team, I have corporate responsibility for maintaining a system of sound internal controls and risk management processes within the County Council and service management responsibility for maintaining a system of sound internal controls and risk management processes within the Health & Adult Services Directorate that support the achievement of both Corporate and the Directorate's objectives.

The system of internal controls is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As a Corporate Director, I have responsibility for reviewing the effectiveness of the system of internal control and risk management processes in the Health & Adult Services Directorate. My review of the effectiveness of the system of internal controls has taken into account the following:-

- adequacy and effectiveness of management review processes
- outcomes from the formal risk assessment and evaluation process (Directorate Risk Register)
- relevant self-assessments of key service areas within the Directorate
- relevant internal audit reports and results of follow ups regarding implementation of recommendations
- outcomes from reviews of services by other bodies including Inspectorates, external auditors etc
- the framework of controls that operate in relation to individual partnerships where some aspects of the necessary controls are the responsibility of the partner to operate / apply

I confirm that Health and Adult Services Directorate have a full set of service continuity plans and that they will continue to be refreshed as and when necessary and at least on an annual basis.

2012/13

I am satisfied that a sound system of internal control has been in place for the financial year ended 2012/13 in the Health & Adult Services Directorate. Nevertheless, during the year my review work has identified some areas for improvement and these are set out in the *attached schedule*. I propose to take steps to address the matters so identified which should enhance the system of internal controls. I will be monitoring to ensure their effective implementation and operation.

I also understand that this Statement of Assurance will be relied upon by those Members and Officers signing the Annual Governance Statement 2012/13 (the "Document") and by the Audit Committee reporting on the Document.

I therefore confirm that I am not aware of any material statement in, or omission from, the Document which would make the Document misleading. In respect of the Directorate for which I am responsible I can confirm that I have made due and careful inquiry and that the statements relating to my Directorate, in particular those contained in Section 3 of the Document, fairly represent the key elements of the internal control environment within my Directorate. I also confirm that there are no matters relating to my Directorate omitted from Section 7 of the Document which, in my view, merited inclusion.

The assurances given above are all based upon the information that has been made available to me.

Signed:

Helen Taylor
Corporate Director – Health & Adult Services

Date:

2012/13

AREAS FOR IMPROVEMENT IDENTIFIED	
HEALTH & ADULT SERVICES DIRECTORATE	
Areas for improvement in 2012/13	Action proposed
<p>A</p> <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. In response to this financial pressure the County Council has provided, within the Medium Term Financial Strategy, incremental budget provision of £3m per annum.</p> <p>This provision will be managed centrally drawn down by the Directorate as required. In addition the trend information will be monitored on a quarterly basis to ensure that we are aware of cost and volume changes relating to service delivery.</p> <p>There are other known financial challenges 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>
<p>B</p> <p>Increasing challenge of delivering savings</p>	<p>A programme approach to monitoring the savings projects and significant service change within the Directorate has been introduced. This enables the Directorate to monitor the achievement of individual projects and as well as oversee the overall programme.</p> <p>The Transformation Board is a meeting of senior management and receives monthly reports to allow the Directorate to monitor progress and be aware of interdependencies between projects and manage risks.</p> <p>As the financial challenge increases sound arrangements for monitoring progress and delivery of the change and savings</p>

2012/13

AREAS FOR IMPROVEMENT IDENTIFIED	
HEALTH & ADULT SERVICES DIRECTORATE	
Areas for improvement in 2012/13	Action proposed
	programme are important to ensure the Directorate is delivering against key objectives and within available resources.
C	<p>Market forces lead to increases in the price of care that cannot be contained within budgets, or threaten market disruption, and service continuity</p> <p>The Directorate continues to undertake negotiations and dialogue with the independent sector through the Market Development Board. This is a forum comprising representatives from the independent sector, voluntary sector, health and NYCC. In the context of personalisation and transformational programme there is and will continue to be significant sharing of information to understand the market pressures within the County and take appropriate action as required. In addition there has been work with the independent sector to ensure business and service continuity. This should be viewed within the context of a national situation of increasing judicial challenge to those fees paid by Local Authorities. During 2012-13 NYCC received a challenge by Judicial review in relation to the Residential and Nursing Home Fees. A consent order has been agreed and proceeding stayed pending work on costs model. This work and discussions are on-going.</p> <p>The Directorate is also working with the market to provide more creative solutions and services rather than relying on the traditional approaches to meeting people's support requirements. During 2013-14 the Directorate will be developing a preventative services strategy to ensure citizens of North Yorkshire are aware of the universal services which are on offer and support them to live healthy and more independently.</p>
D	<p>Implementation Change and the Improvement Agenda</p> <p>The Directorate has an ambitious efficiency and transformational programme which seeks to make cost savings by improving service outcomes as well as disinvesting in traditional forms of service delivery. There has been investment in low level prevention services and supporting people at home through the use of preventative technology such as</p>

2012/13

AREAS FOR IMPROVEMENT IDENTIFIED	
HEALTH & ADULT SERVICES DIRECTORATE	
Areas for improvement in 2012/13	Action proposed
	<p>telecare. The priority is also to reduce reliance on residential care and support more people within their home as well as increase the range of supported accommodation through an Extra Care.</p> <p>In addition the Directorate continues to transform its in house personal care service to provide a reablement service. For the majority of clients requiring support from the Directorate it is intended that this service will be the initial service offer undertaking an assessment to determine the individual life skills and developing a plan to improve these and level of independence.</p> <p>The challenge will be to continue with this approach as resources continue to be squeezed and expectations from the public heighten. There may be additional service pressures arising from the Welfare Reforms.</p> <p>The Directorate will also need to preparation arrangements for the changes arising from the Social Care and Support White Paper in 2015 which extend the remit of the Directorate to a large number of clients previously not assessed by the Directorate (self funders), a statutory responsibility to provide services to carers, the introduction of national eligibility guideline for access to care and new financial limits on the total cost people can be expected to pay for care.</p>
E	<p>Personalisation and Think Personal Act Local</p> <p>The Directorate continues to make progress in this area in relation to the milestones required by the Department of Health. The Authority has been accepted onto the Regional 'Making it Real development programme' and has established a Making it Real team, including users of service and providers to work through the Markers for Change. The group will co-produce an Action Plan of priorities required to develop the personalisation agenda and will publicise progress against the plan on the TLAP and NYCC websites.</p> <p>This is a challenging agenda which will also be performance monitored by the number of clients receiving a personal budget. The</p>

2012/13

AREAS FOR IMPROVEMENT IDENTIFIED
HEALTH & ADULT SERVICES DIRECTORATE

Areas for improvement in 2012/13	Action proposed
	<p>National target has been relaxed to 70% from 100% of those people who are eligible for services having an indicative personal budget.</p> <p>A greater challenge relates to increasing the number of people who take a direct payment and decide to manage their own care. In order to explore alternative approaches we have established an Individual Service Fund (ISF) pilot which started in December 2012. This provides an alternative way for people to take their personal budget and enables people who do not want the responsibility of a direct payment to choose how and when they receive support from their provider. It is anticipated nationally that ISFs could help engineer a shift away from a “time and task” approach to commissioning.</p> <p>The Direct Payment Support Service already supports children and young people with Direct Payments, however, further discussion between HAS and CYPS have begun to explore this Transition period to maximise Direct Payment support in this way</p> <p>The administrative arrangements for direct payments have been reviewed and a plan to simplify and streamline the process has been written. It is intended 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>A new process for the administration of one-off direct payments has already been introduced and this will be rolled out to all direct payments before the end of the year.</p> <p>Initial 6/8 week reviews were introduced in 2012/13 to ensure that Direct payment recipients are managing their personal care and financial arrangements more effectively. This check has provided an earlier indication of potential problems or where additional support is required. All people receiving a direct payment also had a DP financial review in 2012/13.</p>

2012/13

AREAS FOR IMPROVEMENT IDENTIFIED	
HEALTH & ADULT SERVICES DIRECTORATE	
Areas for improvement in 2012/13	Action proposed
	<p>An update to AIS in 2012 enabled indicative budgets to be calculated immediately on the system. This simplified and streamlined the processes and improved the overall speed of planning for and receiving a personal budget.</p>
<p>F Health challenges</p>	<p>The Directorate will need to establish new financial and operational working arrangements arising from the dissolution of North Yorkshire and York PCT and the creation of local CCG's, Health England as well as the existing acute and community service providers.</p> <p>The Health and Well being board will cease to be in shadow form from March 2013 which in turn will extend and bring new responsibilities to the local authority. The Directorate and the Director of Public Health will play a pivotal role in driving this agenda forward.</p> <p>The local health economy continues to be under severe financial strain and opportunities may exist to address this through health and social care integration. Initial exploratory discussions have been undertaken with the CCG's to create an integrated board to provide the officer forum to explore the options and drive this agenda forward.</p>

NORTH YORKSHIRE COUNTY COUNCIL**STATEMENT OF ASSURANCE 2012/13
BY CHIEF EXECUTIVE – CENTRAL SERVICES**

The 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. In discharging this accountability, all Members and senior officers of the County Council are responsible for putting in place proper risk management processes and internal controls to ensure the proper stewardship of the resources at its disposal.

As Chief Executive and member of the Central Services Management Team, I have corporate responsibility for maintaining a system of sound internal controls and risk management processes within the County Council and service management responsibility for maintaining a system of sound internal controls and risk management processes within Central Services Directorate that support the achievement of both Corporate and the Central Services objectives. I share these responsibilities with my colleagues on the Central Services Management Team, each of whom leads in their areas of particular responsibility.

The system of internal controls is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As Chief Executive, I have responsibility for reviewing the effectiveness of the system of internal control and risk management processes in Central Services Directorate. My review of the effectiveness of the system of internal controls has taken into account the following:-

- adequacy and effectiveness of management review processes
- outcomes from the formal risk assessment and evaluation process (Central Services Risk Register)
- relevant self-assessments of key service areas within Central Services
- relevant internal audit reports and results of follow ups regarding implementation of recommendations
- outcomes from reviews of services by other bodies including Inspectorates, external auditors etc
- the framework of controls that operate in relation to individual partnerships where some aspects of the necessary controls are the responsibility of the partner to operate / apply

I confirm that Central Services Directorate have a full set of service continuity plans and that they will continue to be refreshed as and when necessary and at least on an annual basis.

I am satisfied that a sound system of internal control has been in place throughout the 2012/13 financial year and is on-going in Central Services. Nevertheless, during the year my review work has identified some areas for improvement and these are set out in the *attached schedule*. I propose to take steps to address the matters so identified which should enhance the system of internal controls. I will be monitoring to ensure their effective implementation and operation.

I also understand that this Statement of Assurance will be relied upon by those Members and Officers signing the Annual Governance Statement 2012/13 (the "Document") and by the Audit Committee reporting on the Document.

I therefore confirm that I am not aware of any material statement in, or omission from, the Document which would make the Document misleading. In respect of Central Services for which I am responsible I can confirm that I have made due and careful inquiry and that the statements, in particular those contained in Section 3 of the Document, fairly represent the key elements of the internal control environment within Central Services. I also confirm that there are no matters omitted from Section 7 of the Document which, in my view, merited inclusion.

The assurances given above are all based upon the information that has been made available to me.

Signed:

Chief Executive (Central Services)

Date :

**AREAS FOR IMPROVEMENT IDENTIFIED
FINANCE AND CENTRAL SERVICES DIRECTORATE**

Areas for improvement in 2012/13		Action proposed
A	<p>Medium Term Financial Strategy</p> <ul style="list-style-type: none"> • Need to ensure a coherent savings programme for 2013/14 to 2014/15. • Need to provide a financial plan for the period 2015/16 and beyond in order to provide a framework for future discussions about the role of the council and what it can afford to deliver. 	<p>The MTFS agreed in February 2013 ensured a funded budget up to and including 2014/15. However, recurring savings of £3.8m are still required and further Government funding cuts are anticipated in 2014/15. A further budget report will be taken to County Council by early autumn at the latest which ensures an on-going balanced budget with recurring savings proposals being implemented.</p> <p>Further funding scenarios will be worked up which identify the likely funding envelope beyond 2014/15. This will incorporate the “mini spending review” expected on 20 June 2013.</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 on-going basis. Any material variations will be reported to the Executive so that appropriate action can be taken as considered necessary.</p>
B	<p>Pension Fund</p> <ul style="list-style-type: none"> • Identify alternative strategies with the aim of improving the overall solvency of the Pension Fund • Plan for and implement as necessary changes resulting from revised Local Government Pension Scheme and tri-annual revaluation from the actuary. 	<p>The challenge of improving the solvency position has been the subject of much of the Pension Fund Committees deliberations. Changes have recently been made in order to diversify investment with the aim of reducing volatility whilst seeking good investment returns. This approach will be monitored and further opportunities will be reviewed and explored where it is felt that improvements can be secured.</p> <p>Discussions will take place with other Pension Funds in order to determine alternative investment strategies. Any learning will then be fed into the Pension Fund Committees</p>

**AREAS FOR IMPROVEMENT IDENTIFIED
FINANCE AND CENTRAL SERVICES DIRECTORATE**

Areas for improvement in 2012/13		Action proposed
		<p>deliberations.</p> <p>Discussions will take place with the actuary regarding assumptions on funding as part of the tri-annual revaluation of the Pension Fund which is performed in 2013/14 and the results of which are to be implemented with effect from April 2014.</p>
C	<p>Information Governance</p> <ul style="list-style-type: none"> • Need to review actions in relation to Information Governance to date and identify further improvements. • Need to ensure that information security and information integrity are more generally valued by staff across the council. 	<p>The Corporate Information Governance Group (CIGG) will review progress at each of its meetings and has produced a further updated action plan. This action plan will be implemented and improved throughout the year.</p> <p>Mandatory training has been provided for staff on information management and compliance will be monitored on an on-going basis.</p> <p>Revised arrangements for tracking and reporting investigation of breaches have been implemented and will be reviewed with a view to improving.</p>
D	<p>ICT Strategy</p> <ul style="list-style-type: none"> • A Corporate ICT Strategy needs to be developed which recognises the funding position and the councils business needs over the medium term. 	<p>The Microsoft roll out plan will be concluded and the functionality within it will be exploited further in order to deliver operational benefits.</p> <p>Discussions have taken place with senior managers across the council about the business needs for ICT Services. This dialogue will remain on-going and the action plan produced will be implemented, monitored and reviewed accordingly.</p> <p>The product of those discussions and ICT services work on rationalising data and systems will be brought together into a single Corporate ICT Strategy which will be presented to Management Board in 2013/14 for sign off. This will consider the best way of ensuring on-going business engagement.</p>

AREAS FOR IMPROVEMENT IDENTIFIED
FINANCE AND CENTRAL SERVICES DIRECTORATE

Areas for improvement in 2012/13		Action proposed
E	<p>Superfast North Yorkshire</p> <ul style="list-style-type: none"> • Need to ensure successful delivery of Superfast Broadband by BT following procurement. • Also need to identify opportunities to enhance the Broadband offer for the 10% of North Yorkshire who are likely to receive Broadband below Superfast speeds. 	<p>On-going monitoring of the roll-out by the Superfast North Yorkshire Board.</p> <p>On-going business engagement work including the LEP to support delivery of grant funded outcomes such as ERDF.</p> <p>Funding opportunities for the extra 10% to be explored with BDUK and other potential funders.</p>
F	<p>One Council</p> <ul style="list-style-type: none"> • Delivering an Effective Range of Support Services to the Council at a time of significant change including Budget Savings; Modernisations included One Council related work; and increased workloads as a result of Legal, People and Financial Challenges 	<p>A range of modernisation approaches are being implemented and / or planned for. These include –</p> <ul style="list-style-type: none"> • Business Support – restructuring of the service in order to deliver savings and provide greater resilience across the Council and a future platform for further savings resulting from systems developments and increased self service. • Legal and Democratic Services – implementation of a new democratic system to help with Committee agendas, reports etc. • Financial Services – implementation of up-graded financial system and other associated modernisations in order to support budget managers (for example self-serve reports). • Staff survey from Directorates to be completed which identifies senior manager views on the range of support services provided by Central Services. Such information to be used to help inform improvements. • Customer Input to be factored into all on-going areas of significant improvement work. Where appropriate, both Management Board and Budget Review Group (as the One Council Project Board) to be engaged.

**AREAS FOR IMPROVEMENT IDENTIFIED
FINANCE AND CENTRAL SERVICES DIRECTORATE**

Areas for improvement in 2012/13		Action proposed
G	<p>Implementing revised Corporate Arrangements relating to Performance Management including</p> <ul style="list-style-type: none"> • Greater sense of team performance throughout the Council • Revised arrangements for reporting performance, alongside financial and HR issues to Members • Any arrangements to reflect changes in national performance / inspection regimes. 	<p>Revised Quarterly Reports are to be worked up and considered by Members with a view to implementing those changes at Q1 in August 2013.</p> <p>The Corporate Performance Management Group is to further progress work relating to team ownership of performance. This will involve further peer reviews and identifying necessary support to improve areas as and when identified.</p> <p>Corporate Performance Management Group and Management Board will both be used in order to monitor the effectiveness of overall arrangements.</p>

NORTH YORKSHIRE COUNTY COUNCIL

STATEMENT OF ASSURANCE 2012/13 BY CHIEF EXECUTIVE FOR MANAGEMENT BOARD

REVIEW OF EFFECTIVENESS

The County Council is 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.

In accordance with the Accounts and Audit Regulations 2007, the County Council is also responsible for conducting, at least annually, a review of the effectiveness of its systems of internal control. The Corporate Governance Officer Group (which includes the Monitoring Officer, the Section 151 Officer and the Head of Internal Audit), in conjunction with the Corporate Directors and other senior officers, co-ordinates the ongoing review of the County Council's control environment. The work of the Corporate Governance Officer Group feeds into the Audit Committee.

In undertaking its work, the Corporate Governance Officer Group obtains assurance on the County Council's control environment from a number of sources, including the annual Statements of Assurance (SoA) completed by the Chief Executive, Corporate Directors and Management Board.

STATEMENT OF ASSURANCE – MANAGEMENT BOARD

The Management Board is responsible for implementing all County Council policies and decisions, providing advice to Members, and for co-ordinating the work of the Directorates.

In discharging our duties as the corporate management team, matters may come to our attention which we consider to be evidence of significant control weaknesses (see Note 1 below).

Notwithstanding the processes referred to in Review of Effectiveness (see above) some areas for improvement were identified by Management Board during the 2012/13 year, and these are set out in the *attached schedule*. I intend to ensure that, via Management Board, these matters will be addressed, and I will be monitoring their effective implementation and generation.

The contents of this Assurance Statement were formally reviewed and agreed by Management Board on

Signed on behalf of Management Board
By the Chief Executive

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Date

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Note 1

Factors considered when deciding if an issue is evidence of a significant control weakness:

- the issue has seriously prejudiced or prevented achievement of a principal County Council objective or priority
- the issue has resulted in a need to seek significant additional funding to allow it to be resolved, or has resulted in a significant diversion of resources from one service area to another
- the issue has led to a material impact on the financial standing of the County Council
- the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the County Council
- the issue has resulted in formal action being taken by the S.151 Officer and / or the Monitoring Officer

Note 2

Where appropriate evidence should be available (eg action plan) to show how the identified control weaknesses have been addressed.

**AREAS FOR IMPROVEMENT IDENTIFIED
MANAGEMENT BOARD**

Areas for improvement in 2012/13		Action proposed
A	Deliver the budget savings programme as set out by County Council on 20 February and as anticipated in Budget 2 by no later than early autumn.	Implementation of the full savings programme with clear timescales and achievable savings identified over the following 2 year period.
B	Pursing a range of actions with Health partners in order to improve the effectiveness and efficiency of council services	On-going strategic leadership as integral part of the Health and Wellbeing Board. Pursing integration opportunities that arise with Health Partners alongside services provided by HAS and CYPS.
C	Leadership role in relation to Economic Development issues	Continuing to work in a way that supports businesses and engages effectively with the LEPs impacting in North Yorkshire.
D	Ensuring that a comprehensive approach is taken to performance across the Council and that there is an on-going pursuit of increased productivity.	Implementation of changes to performance management arrangements and an increased focus within the Council on innovation and how productivity can be increased. Some of this will involve taking on the values and approach of One Council to shape new ways of working.