

Daventry District Council
Local Code of
Corporate Governance

2017/18

Year End Progress

1. Core Governance Principle: ‘Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.’

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting principles

- A.** Behaving with integrity.
- B.** Demonstrating strong commitment to ethical values.
- C.** Respecting the rule of law.

<p><u>Supporting Principle</u></p> <p>(1A) Behaving with integrity.</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
1A1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	<ul style="list-style-type: none"> • Codes of Conduct in place for Members and Employees. • Members’ Individual sign off with regard to compliance with the code. • Inductions for new Members and new Employees include standards of behaviour expected. 	<ul style="list-style-type: none"> • Review and consider adoption of SOLACE Employee Code of Conduct (revised code drafted by SOLACE). • Employee Code of Conduct 	MO	<p>Q1 – report drafted for July Strategy Group recommending adoption by Council.</p> <p>Q2 – New Employee Code of Conduct approved by Council July 2017.</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<ul style="list-style-type: none"> Employee appraisal system in place. 	Guidance notes to be produced	MO	Q2 – Guidance Notes produced and posted on Davnet along with the new Employee Code.
1A2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> Corporate Values adopted and consistently referenced in communications such as Council Courier and Daventry Calling, DDC Website and Intranet. Appeals & Standards Committee receives annual report on standards (including effectiveness of arrangements) 			
1A3	Leading by example and using these standard operating principles or values as a framework for decision making and other actions.	<ul style="list-style-type: none"> Constitution (inc. principles of decision making in ‘Article 12: Decision Making’ and citing of values in ‘Appendix: Functions of a Councillor’). Declarations of interests made at meetings. Local Code of Conduct for 	<ul style="list-style-type: none"> Bespoke training on elements of the Constitution. Training on new Employee Code of Conduct. 	MO	Q3 – E-learning module issued December 17.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<p>Members including Supplementary Local Codes of Conduct for dealing with Planning Matters, Licensing Matters, Housing Matters and Gifts and Hospitality.</p> <ul style="list-style-type: none"> • Appeals and Standards Committee reviewed effectiveness, identifying additional training needs and procedural enhancement. 			
1A4	<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p>	<ul style="list-style-type: none"> • Anti-fraud, bribery and corruption policies are working effectively. • Annual report to Corporate Governance Committee on Counter Fraud Arrangements and Activity. • Up-to-date register of interests (members and staff). • Register of gifts and hospitality update regularly. • Whistleblowing policies are in place and protect individuals raising concerns. • Whistleblowing policy has been made available to members of the public, employees, partners and contractors. • Complaints policy and examples 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<p>of responding to complaints about behaviour.</p> <ul style="list-style-type: none"> • Changes/improvements as a result of complaints received and acted upon • Members and officers code of conduct refers to a requirement to declare interests. • Minutes show declarations of interest were sought and appropriate declarations made. 			

Supporting Principle

(1B) Demonstrating strong commitment to ethical values.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
1B1	Seeking to establish, monitor and maintain the organisation's ethical standards and performance.	<ul style="list-style-type: none"> • Establishment of Monitoring Officer responsible for promoting high ethical standards amongst Members, as per legislation. • Establishment of Head of Paid Service, as per legislation, responsible for promoting high ethical standards amongst staff. • Council's core values identified and promoted, including via Council Courier. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<ul style="list-style-type: none"> • Review of Codes of Conduct by the Monitoring Officer, including input from 'Independent Persons'. • Issue of guidance to Members and staff on application of the Constitution and Codes of Conduct by Monitoring Office and Chief Financial Officer. • Report on Breaches of Procedures to Corporate Governance Committee. • Assessment of Code of Conduct complaints by the Monitoring Officer and incorporating Member messages in decision notices as appropriate. • Appeals and Standards Committee, assisting with developing and reviewing ethical behaviour. • Monitoring of complaints. 			
1B2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	<ul style="list-style-type: none"> • Standards and Code of Conduct training for Members. • IIP Assessment 	<ul style="list-style-type: none"> • Training on new Employee Code of Conduct. • Internal Audit baseline review of ethics. 	MO SP(DH)	Q3 – E-learning module issued December 17. Q4 – To be considered as a separate exercise to feed into the Counter Fraud Strategy. - It was

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
					determined that the survey could not be incorporated with the e-learning module for technical reasons.
1B3	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	<ul style="list-style-type: none"> • Appraisal processes take account of values and ethical behaviour • Employee recruitment policies. • Corporate Procurement policies. 	<ul style="list-style-type: none"> • Employee training on Corporate Procurement. 	SBW	<p>Q1 – Procurement training for service managers carried out May 17.</p> <p>Q3 - Further training, targeted at, 'spending' officers carried out October 17.</p>
1B4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.	<ul style="list-style-type: none"> • Contract and Procurement Regulations provide a regulatory code with a framework of openness, integrity, and accountability. • Standard Terms and Conditions reference ethical standards. • Anti-Fraud Bribery & Corruption Policy requires all contracts to comply with high standards. 			

Supporting Principle**(1C) Respecting the rule of law.**

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
1C1	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none">• Constitution (including annual and periodic review to reflect current legal position).• Monitoring Officer and Chief Financial Officer duties (including ensuring lawfulness).• Use and citing in reports of specific legal powers and responsibilities.			
1C2	Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none">• Job description/specifications• The financial management arrangements conform to CIPFA's Statement on the Role of the Chief Financial Officer in Local Government with one exception. The CFO is not formally part of the leadership team. The post is positioned in the structure at one tier below the Senior Management Team. The statutory obligations of the Chief Financial Officer are still unfettered and there is, via programmed one-to-one meetings, direct reporting access to the Chief Executive in addition			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<p>to full participation at formal Senior Management Team Meetings.</p> <ul style="list-style-type: none"> • Terms of reference for Committees are set out in the Constitution. • Legal support for Committees. 			
1C3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	<ul style="list-style-type: none"> • 'Legal Implications' in all committee reports, via corporate report template. • Compliance with Health & Safety and legal regulations required in Council's Contract and Procurement Regulations. 			
1C4	Dealing with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> • Duties of MO and CFO reiterated in Constitution. • Sourcing opinion from legal advisors as to Council's or partner's action (e.g. DFG and waste recycling credits) • Information and corrective action presented in reports to Members. • 'DDC Arrangements for Dealing with Allegations of Breaches of the Code of Conduct for Members – 2012' vis-à-vis registering and declaring disclosable pecuniary interests and partaking in business thereon. 	<ul style="list-style-type: none"> • Statutory provisions - service of S.5 and S.114 Notices (if required!) 	SB/AS	<p>Q1 – none required.</p> <p>Q2 – none required.</p> <p>Q3 – none required.</p> <p>Q4 – none required.</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
1C5	Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> • Anti-fraud, bribery and corruption policies are working effectively. • Annual report to Corporate Governance Committee on Counter Fraud Arrangements and Activity. 			

2. Core Governance Principle: 'Ensuring openness and comprehensive stakeholder engagement.'

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting principles

A. Openness.

B. Engaging comprehensively with institutional stakeholders.

NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

C. Engaging with individual citizens and service users effectively.

Supporting Principle

(2A) Openness.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
2A1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	<ul style="list-style-type: none"> • Corporate Values include the promotion of openness. • Access to Information Procedure Rules. • Publication of Council and committee agendas and minutes on website. • Information Charter. • Transparency information on website. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<ul style="list-style-type: none"> • Guide to Information. 			
2A2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	<ul style="list-style-type: none"> • Publication of Council and committee agendas, reports, minutes and plans on website. • Officer decisions published on website. 			
2A3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> • Constitution Article 12 - Decision Making. • Corporate report template. • Professionally registered, qualified and trained staff as advisors and authors for all decisions/reports. • Meeting reports show details of advice given. • Discussion between members and officers on the information needs of members to support decision making. E.g Leader/Chief Executive meetings, Portfolio Holder meetings, Portfolio Holder/Officer liaison meetings. • Agreement on the information 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		<p>that will be provided and timescales.</p> <ul style="list-style-type: none"> • Calendar of dates for submitting, publishing and distributing timely reports is adhered to. 			
2A4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.	<ul style="list-style-type: none"> • Community Engagement Strategy. • Use of consultation feedback • Peoples Panel. 			

Supporting Principle

(2B) Engaging comprehensively with institutional stakeholders.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
2B1	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and	<ul style="list-style-type: none"> • Community Engagement Strategy. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	sustainably.				
2B2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> • Statement of Community Involvement. • County Licensing Unit. • County Travellers Unit. • Joint Planning Unit. • Rugby and Daventry Crematorium Joint Committee. 	<ul style="list-style-type: none"> • Development of Joint Venture arrangements for delivery of environmental services. 	SBw	<p>Q3 - legal agreement signed.</p> <p>Q4 – Daventry Norse Board and Liaison Board held their first meetings.</p>
2B3	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> — trust — a shared commitment to change — a culture that promotes and accepts challenge among partners <p>and that the added value of partnership working is explicit.</p>	<ul style="list-style-type: none"> • Partnership Protocol. 			

Supporting Principle

(2C) Engaging stakeholders effectively, including individual citizens and service users.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
--	------------------------	--------------------------------	---	--------------	----------

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
2C1	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> Community Engagement Strategy 			
2C2	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	<ul style="list-style-type: none"> Corporate Communications Strategy. Portfolio Holders Meetings. Purdah Guidance. 			
2C3	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	<ul style="list-style-type: none"> Community Engagement Strategy. Peoples Panel. Residents Survey. Corporate Strategic Plan consultation. Service specific consultations. 			
2C4	Implementing effective feedback mechanisms in order to demonstrate	<ul style="list-style-type: none"> Community Engagement Strategy. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	how views have been taken into account.	<ul style="list-style-type: none"> Residents Survey 	<ul style="list-style-type: none"> A feedback strategy is developed in order to maintain engagement with the People's Panel. 	SBw (AB)	Q1 - revised Corporate Feedback and Complaints Procedure approved at June SMT.
2C5	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	<ul style="list-style-type: none"> Community Engagement Strategy. 			
2C6	Taking account of the impact of decisions on future generations of tax payers and service users.	<ul style="list-style-type: none"> Community Engagement Strategy. 			

3. Core Governance Principle: ‘Defining outcomes in terms of sustainable economic, social, and environmental benefits.’

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Supporting principles

- A. Defining outcomes.
- B. Sustainable economic, social and environmental benefits.

<p><u>Supporting Principle</u></p> <p>(3A) Defining outcomes.</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
3A1	Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions.	<ul style="list-style-type: none"> • Council’s Vision used as a basis for corporate strategic and service planning. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
3A2	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	<ul style="list-style-type: none"> • Community Engagement Strategy. • Corporate Strategic Plan. • Service plans. 			
3A3	Delivering defined outcomes on a sustainable basis within the resources that will be available.	<ul style="list-style-type: none"> • Quarterly monitoring of Corporate Strategic Plan. • Monthly monitoring of service plans. 			
3A4	Identifying and managing risks to the achievement of outcomes.	<ul style="list-style-type: none"> • Strategic Risk Register. • Service risk registers. 			
3A5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	<ul style="list-style-type: none"> • An agreed set of measures for each service element and included in service plans. • Processes for dealing with competing demands within the community. E.g. Voluntary and Community Sector Grants. • Monitoring customer complaints. 			

Supporting Principle

(3B) Sustainable economic, social and environmental benefits.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
3B1	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.	<ul style="list-style-type: none"> • Capital Programme. • Treasury Management and Annual Investment Strategy. • Medium Term Financial Plan. • Capital Strategy 			Q4 - Treasury Management and Annual Investment Strategy and Capital Strategy were amended to account for changes in Statutory Guidance.
3B2	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	<ul style="list-style-type: none"> • Capital Programme. • Treasury Management and Annual Investment Strategy. • Medium Term Financial Plan. • Capital Strategy 			Q4 - Treasury Management and Annual Investment Strategy and Capital Strategy were amended to account for changes in Statutory Guidance.
3B3	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate	<ul style="list-style-type: none"> • Community Engagement Strategy. • Implications section on committee reports. • Service specific consultations. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	trade-offs.				
3B4	Ensuring fair access to services.	<ul style="list-style-type: none"> • Corporate Equality Scheme. • Equality Impact Assessments. 			

4. Core Governance Principle: ‘Determining the interventions necessary to optimise the achievement of the intended outcomes.’

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting principles

- A. Determining interventions.
- B. Planning interventions.
- C. Optimising achievement of intended outcomes.
- D. Using their legal powers to the full benefit of the citizens and communities in their Area.

Supporting Principle

(4A) Determining interventions.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
4A1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved	<ul style="list-style-type: none"> • Constitution Article 12 - Decision Making. • Corporate report template • Option appraisals 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	however services are provided.				
4A2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	<ul style="list-style-type: none"> • Community Engagement Strategy. • Capital Strategy. • Service specific consultations. 			

<p><u>Supporting Principle</u></p> <p>(4B) Planning interventions.</p>
--

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
4B1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	<ul style="list-style-type: none"> • Corporate Strategic Plan review timetable. • Service plan review timetable. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
4B2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	<ul style="list-style-type: none"> Corporate Communications Strategy. Staff meetings. 			
4B3	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.	<ul style="list-style-type: none"> Partnership Protocol. Risk Management Policy. 			
4B4	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.	<ul style="list-style-type: none"> Scheme of Delegation to Officers in Constitution. 			
4B5	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	<ul style="list-style-type: none"> Corporate Strategic Plan with quarterly monitoring by Members. Service plans with monthly monitoring. 			
4B6	Ensuring capacity exists to generate the information required to review service quality regularly.	<ul style="list-style-type: none"> Reports include detailed performance results and highlight areas where corrective action is necessary. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
4B7	Preparing budgets in accordance with objectives, strategies and the medium term financial plan.	<ul style="list-style-type: none"> Budgets, plans and objectives are aligned. 			
4B8	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	<ul style="list-style-type: none"> Medium Term Financial Plan. Capital Programme. Capital Strategy. Treasury Management and Annual Investment Strategy. 			Q4 - Treasury Management and Annual Investment Strategy and Capital Strategy were amended to account for changes in Statutory Guidance.

Supporting Principle

(4C) Optimising achievement of intended outcomes.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
4C1	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	<ul style="list-style-type: none"> Medium Term Financial Plan reported regularly to Members. 			
4C2	Ensuring the budgeting process is all-inclusive,	<ul style="list-style-type: none"> Budget and Policy Framework Procedure Rules. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	taking into account the full cost of operations over the medium and longer term.	<ul style="list-style-type: none"> Financial Regulations 			
4C3	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> Medium Term Financial Plan. Capital Programme. Capital Strategy. Treasury Management and Annual Investment Strategy. 			Q4 - Treasury Management and Annual Investment Strategy and Capital Strategy were amended to account for changes in Statutory Guidance.
4C4	Ensuring the achievement of 'social value' through service planning and commissioning.	<ul style="list-style-type: none"> Procurement Toolkit. 			

5. Core Governance Principle: ‘Developing the entity’s capacity, including the capability of its leadership and the individuals within it.’

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Supporting principles

- A.** Developing the entity’s capacity.
- B.** Developing the capability of the entity’s leadership and other individuals.
- C.** Encouraging new talent for membership of the authority so that best use can be made of individuals’ skills and resources in balancing continuity and renewal.

Supporting Principle
(5A) Developing the entity’s capacity.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
5A1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	<ul style="list-style-type: none"> • Corporate Strategic Plan with quarterly monitoring by Members. • Service plans with monthly monitoring. 			
5A2	Improving resource use	<ul style="list-style-type: none"> • Officer ‘peer networks’. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> • Ad-hoc benchmarking on specific projects e.g. Disabled Facilities Grants. • Procurement framework. • Asset Management Plan. 			
5A3	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> • Partnership Protocol. 			
5A4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> • Corporate Learning and Development Plan. • HR Strategy. 			

Supporting Principle

(5B) Developing the capability of the entity's leadership and other individuals.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
5B1	Developing protocols to ensure that elected and appointed leaders	<ul style="list-style-type: none"> • Protocol on Member/Officer Relations; Appendix – 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	<p>Expectations of Head of Paid Service).</p> <ul style="list-style-type: none"> • Leader role description. • Chief Executive job description. • Leader/Chief Executive liaison meetings. • Leader appraisal of Chief Executive. 			
5B2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	<ul style="list-style-type: none"> • Scheme of delegation reviewed annually. • Standing orders and financial regulations reviewed annually. 			
5B3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a	<ul style="list-style-type: none"> • Protocol on Member/Officer Relations; Appendix – Expectations of Head of Paid Service). • Leader role description. • Chief Executive job description. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	balance for each other's authority.				
5B4	<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <p>— ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</p> <p>— ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they</p>	<ul style="list-style-type: none"> • Access to update courses/ information briefings on new legislation. • Induction programme. • Personal development plans for officers. • Councillor Development Policy and Strategy. • Personal development plans for officers. • Members Learning and Development Programme. • 'Top Team Development' 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	are able to update their knowledge on a continuing basis — ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.	<p>events.</p> <ul style="list-style-type: none"> • Ad-hoc arrangements within services. 			
5B5	Ensuring that there are structures in place to encourage public participation.	<ul style="list-style-type: none"> • Peoples Panel • Community Engagement Strategy. 			
5B6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	<ul style="list-style-type: none"> • Employee appraisals. • Members Learning and Development Group. • Scrutiny & Improvement Committee call Portfolio Holders to account. 			
5B7	Holding staff to account through regular performance reviews which take account of training or development needs.	<ul style="list-style-type: none"> • Corporate Learning and Development Plan. • Employee appraisals. • Personal development plans. • Implementing and reviewing HR 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
		policies.			
5B8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	<ul style="list-style-type: none"> • HR policies • Healthy Workforce Policy. • Greener Healthier Workforce Group. • Wellbeing Charter. 			

6. Core Governance Principle: ‘Managing risks and performance through robust internal control and strong public financial management.’

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting principles

- A. Managing risk.
- B. Managing performance.
- C. Robust internal control.
- D. Managing data.
- E. Strong public financial management.

Supporting Principle
(6A) Managing risk.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6A1	Recognising that risk management is an integral part of all	<ul style="list-style-type: none"> • Risk Management Policy. 	<ul style="list-style-type: none"> • An assurance mapping exercise will be undertaken to identify the nature of assurance 	SP	Q2 - In lieu of an internal assessment of risk management

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	activities and must be considered in all aspects of decision making.		provided to the Council from third parties including partner authorities, as well as assurances provided by this Council to others, and also to identify any gaps. This is to take place alongside and following a review of the corporate risk management process. Suggested enhancements to the latter will help in the undertaking of the mapping exercise. Both reviews are scheduled for completion Sept 17.		<p>by Internal Audit a health check was undertaken by Zurich. This temporarily held off the undertaking of any assurance mapping exercise. Zurich recommended the Council should consider introducing an approach to assurance mapping for each of the strategic risks. In response Internal Audit is intending to suggest an initial approach to the Risk Management Group on 26/10/17 as part of its consideration of the health check report.</p> <p>Q3 - Considered by the Risk Management Group on 14/12/17. Agreed to invite Zurich to discuss further and develop a simplified approach.</p> <p>Q4 – Meeting held</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
					with Zurich agreed in principle to develop a simplified approach.
6A2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	<ul style="list-style-type: none"> Risk Management Policy regularly reviewed and approved by Council 	<ul style="list-style-type: none"> Consideration of undertaking Zurich's Risk Management Standards Assessment. 	TG	<p>Q1 – Meeting with Zurich concluded Risk Management Standards Assessment would not provide appropriate overview. Zurich to develop a 'Risk Management Health Check' proposal.</p> <p>Q2 - Risk Management Health check carried out Sept 17 with positive outcome.</p> <p>Q3 – Action Plan developed by Risk Management Working Group.</p>
6A3	Ensuring that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> Strategic Risk Register allocates risk to lead Members and officers. 			

Supporting Principle**(6B) Managing performance.**

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6B1	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	<ul style="list-style-type: none">• Performance Management Framework in operation (including performance reports and standing item on Corporate Performance and Portfolio issues to Senior Management Team, Portfolio holders and reports to Committee/Council).• Scrutiny & Improvement Committee monitoring and challenge of Corporate Strategic Plan.• Scrutiny & Improvement Committee post implementation reviews.			
6B2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	<ul style="list-style-type: none">• Standard report template includes implications of 'Advice' offered.• Publication of agendas and minutes of meetings.			
6B3	Ensuring an effective	<ul style="list-style-type: none">• Scrutiny & Improvement			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	<p>scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible.</p> <p>(Or, for a committee system)</p> <p>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.</p>	<p>Procedure Rules.</p> <ul style="list-style-type: none"> • Terms of Reference for Scrutiny & Improvement Committee. • Publication of agenda and minutes of Scrutiny & Improvement Committee meetings. • Scrutiny & Improvement Committee development needs identified and met. • SMT review of performance. 			
6B4	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.</p>	<ul style="list-style-type: none"> • Corporate Strategic Plan quarterly monitoring presented to Portfolio Holders and S&I Committee. • Management monthly review of service plans. 			
6B5	<p>Ensuring there is consistency between specification stages (such as budgets) and post</p>	<ul style="list-style-type: none"> • Budget and Policy Framework. • Financial regulations. • Project Management 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	implementation reporting (eg financial statements).	Methodology.			

Supporting Principle

(6C) Robust internal control.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6C1	Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> • Risk Management Policy. • Annual Audit Plan. • Internal Audit reports. 			
6C2	Evaluating and monitoring risk management and internal control on a regular basis.	<ul style="list-style-type: none"> • Risk Management Policy regularly reviewed and approved by Council. • Internal Audit Plan agreed and monitored by Corporate Governance Committee. 	<ul style="list-style-type: none"> • Consideration of undertaking Zurich's Risk Management Standards Assessment. 	TG	<p>Q1 – Meeting with Zurich concluded Risk Management Standards Assessment would not provide appropriate overview. Zurich to develop a 'Risk Management Health Check' proposal.</p> <p>Q2 - Risk Management Health check carried out Sept 17 with positive outcome.</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
					Q3 – Action Plan developed by Risk Management Working Group.
6C3	Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> Annual report to Corporate Governance Committee on Counter Fraud Arrangements and Activity. Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014). Counter Fraud Strategy. 	<ul style="list-style-type: none"> Refresh of counter fraud e-learning module. 	SP	<p>Q1 – E-learning module drafted but requires amending to include money laundering topic.</p> <p>Q2 – E-learning module finalised, scheduled to go live in October 17.</p> <p>Q3 - E-learning module went live in October 17.</p> <p>Q4 – The Fraud Awareness e-learning module has been completed by 72% of employees.</p>
6C4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> Annual Governance Statement. Regular review of the effectiveness of Internal Audit is reported to Corporate Governance Committee. 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6C5	<p>Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> — provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment — that its recommendations are listened to and acted upon. 	<ul style="list-style-type: none"> • Corporate Governance Committee Terms of Reference. • Corporate Governance Committee development needs identified and met. 			

Supporting Principle

(6D) Managing data.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6D1	Ensuring effective arrangements are in place for the safe collection, storage, use	<ul style="list-style-type: none"> • Information Risk Policy. • Information Handling Practices. • Data Protection Policy. 	<ul style="list-style-type: none"> • Review Information Handling Practices. • Plan for implementation of 	GK GK	Q1 – Phase 2 of the

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	and sharing of data, including processes to safeguard personal data.	<ul style="list-style-type: none"> ICT Usage Practices. 	<p>General Data Protection Regulations coming into effect May 2018.</p> <ul style="list-style-type: none"> Implement a local data classification system as part of Records Management. 	GK	<p>implementation plan “Plan & Prioritise” is underway.</p> <p>Q2 – Phase 2 of implementation plan completed, Phase 3 “Implement Change” is underway.</p> <p>Q3 – Phase 3 of implementation plan “Implement Change” ongoing.</p> <p>Q4 – Phase 3 “Implement Change” completed. Phase 4 “Training and embed changes” is underway.</p> <p>Q1 – Local Data Classification Scheme drafted, Risk Management Working Group agreed scheme to be piloted and further comments sought.</p> <p>Q2 – Final draft scheme agreed by Risk Management Working Group to be considered</p>

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
			<ul style="list-style-type: none"> Review cyber security arrangements. 	TG	<p>by SMT October 2017.</p> <p>Q3 – Scheme implemented.</p> <p>Q1 – ICT Steering Group consider arrangements appropriate subject to outcome of planned IT Cyber Security audit.</p> <p>Q2 – Cyber Security audit reported “substantial assurance” opinion. Action plan to be developed by ICT Steering Group.</p> <p>Q3 – Action plan developed and agreed.</p> <p>Q4 – All actions considered implemented, awaiting formal follow up audit.</p>
6D2	Ensuring effective arrangements are in place and operating effectively when sharing	<ul style="list-style-type: none"> Countywide Information Sharing Memorandum of Understanding. Register of Information Sharing 	<ul style="list-style-type: none"> Develop data sharing arrangement with Daventry Norse JV. 	SBw	Q3 – included within legal agreement.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	data with other bodies.	Agreements.			
6D3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	<ul style="list-style-type: none"> • Information Charter. • Information Handling Practices. • Data Protection Manual. • Internal and external audits. 			

Supporting Principle

(6E) Strong public financial management.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
6E1	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> • Medium Term Financial Plan. • Capital Strategy. • Capital Programme. • Annual Investment Strategy. • Resources Working Group. 			
6E2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	<ul style="list-style-type: none"> • Budget monitoring at service, Team and Corporate levels. • Resources Working Group. • Financial implications included in standard report template. 			

7. Core Governance Principle: ‘Implementing good practices in transparency, reporting, and audit to deliver effective accountability’

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting principles

- A. Implementing good practice in transparency.
- B. Implementing good practices in reporting.
- C. Assurance and effective accountability.

<p><u>Supporting Principle</u></p> <p>(7A) Implementing good practice in transparency.</p>
--

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
7A1	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	<ul style="list-style-type: none"> • Access to Information Procedure Rules. • Publication of Council and committee agendas and minutes on website. • Information Charter. • Annual Review and Summary Accounts reported in Daventry Calling. 			
7A2	Striking a balance	<ul style="list-style-type: none"> • Compliance with the Local 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	<p>Government Transparency Code.</p> <ul style="list-style-type: none"> • Dedicated 'Transparency' website pages. • Protocols for dealing with questions from members of the public at Council meetings. 			

Supporting Principle

(7B) Implementing good practices in reporting.

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
7B1	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.	<ul style="list-style-type: none"> • Annual report of external auditors. • Annual Accounts reported on website. • Annual Review and Summary Accounts reported in Daventry Calling. 			
7B2	Ensuring members and senior management own the results reported.	<ul style="list-style-type: none"> • Annual Accounts and Annual Governance Statement reported to Corporate Governance Committee. 			
7B3	Ensuring robust arrangements for	<ul style="list-style-type: none"> • Local Code of Corporate 			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).	<p>Governance revised to meet the Delivering Good Governance in Local Government guidance 2016 Edition.</p> <ul style="list-style-type: none"> • Quarterly reviews of compliance with the Local Code of Corporate Governance lead by the Monitoring Officer. • Annual Governance Statement. 			
7B4	Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.	<ul style="list-style-type: none"> • Annual Governance Statement. • Partnership Protocol. 			
7B5	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.	<ul style="list-style-type: none"> • Format complies with the current Code of Practice on Local Authority Accounting. 			

Supporting Principle**(7C) Assurance and effective accountability.**

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
7C1	Ensuring that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none">Action plan reported to Corporate Governance Committee.			
7C2	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.	<ul style="list-style-type: none">Compliance with the Public Sector Internal Audit Standards.Internal Audit Charter.	<ul style="list-style-type: none">External review of Internal Audit scheduled for summer 2017 with a report to September Corporate Governance Committee.	AS	Q2 – External Quality Assessment carried out August 2017 with positive outcome. Action plan developed. Q3 – Action plan reported to Corporate Governance Committee September 17. Q4 – Action plan progress reported to Corporate Governance Committee.
7C3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	<ul style="list-style-type: none">KPMG Annual Audit of Accounts.Information Commissioner Inspection.Public Sector Network annual compliance checking.			
7C4	Gaining assurance on	<ul style="list-style-type: none">Annual Governance Statement.			

	Governance requirement	Evidence of Council compliance	Potential future action to sustain compliance	Lead Officer	Progress
	risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.				
7C5	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	<ul style="list-style-type: none"> Partnership Protocol. 			