

Report of the: Director of Policy and
Resources

Agenda
Item No: 9
Meeting: 23 January 2014

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

INTERNAL AUDIT PROGRESS REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The Internal Audit Section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the council.
- 1.2 This work culminates in the Internal Audit's Annual Report that is used to inform the Annual Governance Statement. This report summarises key issues arising from work undertaken in the 2013/14 audit plan year.
- 1.3 The update local code of corporate governance is presented for approval by the Audit Committee.

2. BACKGROUND INFORMATION

2013/14 Audit Plan Progress

- 2.1 An effective Internal Audit Service, and the delivery of the audit plan, is a key aspect in obtaining assurance that a reliable control environment is in place. Completion of the Internal Audit Plan is monitored and reported regularly to this Committee. The latest position is provided in appendix A. Although some additional audits were required during the year due to emerging risks, there were other planned audits which were no longer required in 2013/14 due to assurances provided from other sources or revised implementation dates of key changes to the control environment. There is adequate plan cover overall to ensure there will be a sufficient level of completed planned work to provide an opinion on the adequacy of the control environment.

Significant Audit Findings

- 2.2 Generally internal control arrangements are assessed as providing an adequate level of assurance. Since April 2013 there have been two reports issued that highlighted control weaknesses and an overall assessment of no assurance. These cases related to separate and

isolated investigations into flexi/ timesheet reconciliation anomalies. In both cases appropriate action has been taken and improvements have been made including further checks introduced as a result of the audit.

- 2.3 The Committee has received updates on audit work relating to adult income systems and procedures. In September progress was reported as policies and procedures were reviewed and updated. Further audit work will be undertaken to assess whether these policies and procedures are fully embedded in January; this will allow for a sufficient period of time to elapse for improvements to take effect.
- 2.4 In September the Committee were informed that audit follow up work on partnership governance arrangements did not demonstrate improvement in controls and the assurance level remains as partial. Additional work to review all partnership risk management arrangements was also completed as part of the risk management action plan. This latest review showed that the majority of partnerships did not maintain a risk register in accordance with the partnership governance toolkit. Details will be reported to senior management for support in taking urgent action to rectify this.
- 2.5 Follow up work on Freedom of Information and Data Protection reviews has now been finalised and retesting has shown significant progress and has resulted in a re-evaluation of controls from 'partial' to 'adequate assurance'.
- 2.6 Two audit reviews relating to IT systems were assessed as providing partial assurance. Disaster recovery testing is carried out on the most significant systems regularly. However the review of IT Disaster Recovery and Business Recovery procedures showed that disaster recovery plans and procedures have not been reviewed and updated. IT Officers have confirmed that good progress has been made and this will be completed ahead of schedule. Improved resilience for the internet connection will be addressed by the end of March 2014 and options to mitigate the Civic Centre from being a single point of failure for the voice network are being investigated. A follow up review of email and internet controls confirmed that good progress had been made since the original audit but some high risk issues were still outstanding, for example, protective monitoring software was not fully implemented.
- 2.7 The audit of the Housing and Council Tax Benefits Subsidy Grant has been successfully concluded. The overall audit highlighted a small number of minor errors (£180 underpayments in total within a claim of over £58m) and external audit has issued their relevant qualification letter. In line with performance in previous years, we expect to receive maximum subsidy, with no penalty for local authority error.

Unplanned work

- 2.8 Requests for unforeseen and irregularity work continue to be received and the allocation set aside in the 2013/14 Audit Plan (165 days) has been

exceeded. Further details are provided in the counter fraud policies and standards report elsewhere on this agenda.

Future of Local Audit

- 2.9 The Department for Communities and Local Government recently consulted on secondary legislation on the Future of Local Audit (Local Audit and Accountability Bill). The consultation covered the following areas:
- Modification of the Bill for smaller authorities
 - Audit panels and appointment of auditors
 - Eligibility and regulations of auditors
 - Policy questions on Account and Audit regulations and regulations on the consideration of Public Interest Reports prior to redraft and further consultation later in the year.
- 2.10 A response to the consultation was sent in so far as it affects the council (the council is not a small authority as defined under this Bill). The opportunity was taken to reiterate the Committee's views on the Future of Local Audit made in August 2012. The consultation document can be accessed via the following link:
<https://www.gov.uk/government/consultations/future-of-local-audit-consultation-on-secondary-legislation>

The response to the consultation is summarised in appendix B.

Local Code of Corporate Governance

- 2.11 The CIPFA¹/ SOLACE² guidance 'Delivering Good Governance in Local Government' provides best practice guidance to assist local authorities to achieve and demonstrate good governance. It is recommended that each local council develop and maintain a local code of governance comprising the requirements for best practice outlined in the guidance. The updated code is presented in appendix C for approval.

3. OPTIONS FOR CONSIDERATION

- 3.1 The Committee is asked to consider whether or not the report provides sufficient assurance on the adequacy of internal control arrangements. The Committee is invited to consider the report and seek clarification on its contents as necessary.

4. ANALYSIS OF OPTIONS

- 4.1. The progress report provides the Committee with an update on key internal control issues. It complies with professional guidance and is designed to provide the Committee with the assurance required to fulfil its role effectively.

¹ The Chartered Institute of Public Finance and Accountancy

² The Society of Local Council Chief Executives

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1. There are no additional resources implications however regular reviews of internal control help safeguard the council's assets and help ensure that value for money is achieved in the use of resources.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1. An Integrated Impact Assessment is not required.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1. Updates to the local code of corporate governance were discussed with the Chief Executive and Director of Policy and Resources. Consultation takes place with Directors and key staff at all stages of audit work and comments made are incorporated wherever possible.

7.2 There are no conflicts of interests to declare.

8. RECOMMENDATIONS

8.1. That the Audit Committee consider the level of assurance provided by this report on the adequacy of internal control arrangements.

8.2 That the Audit Committee approves the local code of corporate governance.

DIRECTOR OF POLICY AND RESOURCES

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Background Papers used in the preparation of this report:

CIPFA/SOLACE report:
Delivering Good Governance in Local Government

Appendix A

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
Fundamental Financial Systems	<ul style="list-style-type: none"> • All 2012/13 fundamental audits completed (see Asset Management) • Payroll (in progress) • Creditors (in progress) • Debtors (in progress) • Income Receipting (in progress) • Main Accounting Ledger (in progress) • Council Tax and Housing Benefits (in progress) • Local Taxation (in progress) • Treasury Management (in progress) • Asset Management (in progress incorporating External Audit work) • CareFirst (not started) • Benefits Subsidy testing (completed) 	<ul style="list-style-type: none"> • TLMS (leisure income system) (completed) • CareFirst – follow up (completed) 	
Annual Governance Statement	<ul style="list-style-type: none"> • In year monitoring and compilation of the Statement 		
Corporate management	<ul style="list-style-type: none"> • Preparing reports and Audit Committee attendance 		
Corporate Governance	<ul style="list-style-type: none"> • In year monitoring and advice. Evaluation of council arrangements against best practice standards. Revision of the council's Code of Corporate Governance (in progress) • Revised Governance Arrangements – authorisations (completed) 		
Risk Management	<ul style="list-style-type: none"> • In year monitoring and advice. Risk Management Group work. Annual review of risk management arrangements, strategic and key operational controls. (2012/13 completed – 2013/14 not yet due) 		

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
IT Audit	<ul style="list-style-type: none"> • I S / I T Strategy (completed) • Disaster Recovery and Business Continuity (completed) • Government Connect (in progress) • Project Management Controls (in progress) • IT Charging Policy (not started) • Change Control (not started) • Remote Access – follow up (completed) • Internet/ E Mail Controls – follow up (completed) • Security of Mobile Devices (in progress) 		
Contract Audit	<ul style="list-style-type: none"> • Commissioning – e auctions (in progress) 		
Fraud Prevention and Detection	<ul style="list-style-type: none"> • Responding to cases received via Whistleblowers Hotline and email (in progress) • Publicity/ training/ updating the counter fraud strategy (in progress) • Income audits - Building Control (completed), Commercial Property (completed), Fresh Start (completed), Search Fees (completed), Normanby Hall (completed), Waters Edge (completed) • Data Matching - NFI/IDEA (in progress) 		

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
Council-wide Systems	<ul style="list-style-type: none"> • Performance Management (completed) • Data Quality (2012/13 completed – 2013/14 in progress) • Environmental Issues - CRC Energy Efficiency Scheme Return & evidence pack (completed) • Partnerships (completed) • New Legislation - Localism (completed) • Budgetary Control (not started) • Data Protection and FOI (completed) • Social Media (completed) • Income and Corporate Charging Policy (in progress) • Information Governance (in progress) • Public Health Responsibilities (in progress) • Self Service Portal (in progress) • Payment Card Industry – Data Security Standard (in progress) 	<ul style="list-style-type: none"> • Information governance framework (in progress) 	<ul style="list-style-type: none"> • Integrated Impact Assessments– (assurance obtained through risk management work)
People – Adult Services	<ul style="list-style-type: none"> • Safeguarding Adults (not started) • Assessment of Care (not started) • External Residential Care (not started) • Adult Income Procedures – follow up (complete) • Financial Assessment and Review - follow up (complete) • Personal budgets – (in progress) 	Adult Budget issues (in progress)	
People – Specialist	<ul style="list-style-type: none"> • Child protection - compliance with Public Law (completed) • Children in care – foster care (completed) • Allegation Management Policy • Youth Offending Team (completed) • Imprest accounts <ul style="list-style-type: none"> - The Groves (completed) - St Hughs (draft report) - St Lukes (draft report) - Cambridge House (completed) 		

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
People – School Improvement	<ul style="list-style-type: none"> • Issues from School Audits • Schools audits (all site visits completed) • Alternatives to Schools Education (completed) • Education Welfare (Fines) (completed) 	<ul style="list-style-type: none"> • Procurement declaration (completed) • SFVS assurance (completed) • St Hughs school fund (completed) • Winterton school fund (completed) • Brumby Junior school fund (completed) • Burton Stather school fund (completed) • Willoughby Road school fund (completed) 	St Hughs school deferred due to sickness at the school
People – Commissioning and Localities	<ul style="list-style-type: none"> • Budgetary Control (not started) • Personal Budget Calculation (delayed until March 2014 at clients request) • Maintenance of School Buildings (in progress) • Integrated Youth Support (Grants) (in progress) • Troubled Families Programme (completed) 	<ul style="list-style-type: none"> • Supporting people commissioning 	
Policy & Resources - Finance	<ul style="list-style-type: none"> • Bank Account Changes (completed) • Finance Manual, Regs. & S.O.s (ongoing) • Car Plan (completed) • Efficiencies (completed) • Welfare Reforms (in progress) • Pensions assurance (completed) • CT discounts/ NNDR reliefs and appeals - budget implications (in progress) 		<ul style="list-style-type: none"> • LT&B Shared Service Governance Arrangements (assurance obtained through NELC's review)
Policy & Resources - Human Resources	<ul style="list-style-type: none"> • Casual & Agency workers (completed) • Professional Personnel System (completed) • Training and Development (completed) • Pay Policy/ Allowances & Supplements (completed) • Disciplinary Procedures (in progress) 		

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
Policy & Resources - Legal Services	<ul style="list-style-type: none"> • Councillors' Allowances (in progress) • Legal services – Child Protection (completed) • Gifts and Hospitality / Pecuniary Interests Procedures (in progress) • Private Law Cases (completed) • RIPA (completed) • VCS Funding (in progress) 		
Policy and Resources – Business Support	<ul style="list-style-type: none"> • PANNEL (not started) 		
Places – Customer Services	<ul style="list-style-type: none"> • Transport – Concessionary fares (completed) • Complaints (in progress) • Community Grants (completed) • Contract Management – Leisure (not started) 	Church Square House Imprest (completed)	
Places – Technical & Environment	<ul style="list-style-type: none"> • Contaminated Land (completed) • Home improvements & disabled adaptations –follow up (completed) • Safer Neighbourhoods (not started) • Countryside Stewardship (not started) • Emergency Planning and Business Continuity (completed) • Homelessness (in progress) • Civica AP Document/ Imaging System (completed) 		
Places – Planning and Regeneration	<ul style="list-style-type: none"> • Economic Development (completed) • BDUK Project (ongoing) • Regional Growth Grant (completed) • Bees Knees (in progress) • Advance Crosby (not started) • Development Control (not started) 		<ul style="list-style-type: none"> • Procurement framework (due deferred tendering)

Audit Areas	Internal Audit Plan 2013/14: Progress Review		
	Planned	Unplanned	Deferred
Places- Community Services	<ul style="list-style-type: none"> • Flood Management (in progress) • Waste Management – commercial waste income (completed) • Waste Management contract • Community Transport (Wheels to work) (in progress) • Building Cleaning – Commercialism (in progress) • Schools Catering – Commercialism (in progress) • Highways Alliance –closedown (not yet due) 	<ul style="list-style-type: none"> • Household recycling centres income collection (completed) 	

<p>In addition to the above resources were deployed on :</p> <ul style="list-style-type: none"> • Advice /irregularity work • Follow up work • Audit plan performance monitoring and reporting 	
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Consultation response

Independent auditor panels and the resignation and removal of auditors

There is need for clarification on the CLG's definition of 'independent' member of an audit panel. In the private sector, audit committee members are independent of the executive but part of the audited body as appointed board members. The same arrangements could be applied in the public sector. The assumption that an audit panel must have a majority of independent members and independent chair is therefore not necessary, or appropriate. It could create the possibility of conflict between those members and the authority.

Proposals are silent on resilience or external audit cover - 28 days notice of resignation or removal of an auditor could result in a council unable to meet statutory requirements until a replacement is appointed.

Three months may be difficult to achieve (*to make a new appointment*) if joint procurement arrangements are explored and adopted. An effective solution could include a framework arrangement of approved providers from which an auditor can be procured. This would reduce potential disadvantage based on size and geographical distance.

Eligibility and regulation of auditors

An objective of this legislation is to align the regulatory framework for local public audit with that of private sector audits however it is important to recognise differences between public and private sector organizations and where direct alignment is impracticable.

The Financial Reporting Council has a key role to grant or refuse recognition of professional local audit qualification. It is important therefore that professional accounting bodies (particularly CIPFA) are able to advise and support the FRC in this role.

Qualifications required centre on compliance with Companies Act regulations and therefore exclude public sector alternatives. Areas of knowledge required (page 38) exclude counter fraud measures – arguably an increasing risk and recognised as a significant issue for the public sector in the recent spending review with additional funding made available to tackle fraud.

Part 3 not included however the explanatory note indicates the Major Audits section has been incorrectly noted as Part 2 (page 39). Assuming this is the case no comment has been made as this threshold (£500m) does not apply this authority.

Conduct of local audit

Consideration of report or recommendation – Public Interest Reports

The retention of the ability to report in the public interest is an important safeguard in the public sector audit regime, and needs to be retained. Safeguards need to be put in place to ensure:

- The consistency of approach in issuing public interest reports
- That such audit reports do not lead to attempts to remove auditors.

Accounts and audit regulations

Public Sector Internal Audit Standards introduced in April this year recognise the wider role for internal audit. This includes providing assurance and an opinion on the adequacy of internal control, risk management and governance arrangements. The standards also recognise the role IA plays in providing added value to the organisation in achieving its priorities and objectives. The driving force for the introduction of these new standards needs to be reflected in these provisions. In addition new regulations must continue to maintain the fundamental principle of audit's independence and ability to report without fear and recrimination to continue to uphold the integrity and governance of public sector service delivery.

A very complicated set of accounts are produced to a very tight deadline each year. The volume of the accounts and supporting notes necessary does not encourage public understanding and scrutiny and makes transparency difficult to achieve.

This proposal (*to bring forward the local government timetable*) is not practical and fails to recognise the complexity of the statement of accounts produced by councils. It is therefore inappropriate to make comparisons with audited accounts timetables for Health and Government Departments

Local Authorities are relatively large, complex, multi-purpose organisations many of which operate on a devolved financial basis. There is a need to coordinate the various disparate elements to produce their accounts. Making generalisations across different parts of the public sector, whose circumstances are very different or across Local Government based on a tiny minority of councils is not possible.

Councils are also in the process of making significant savings many of which are focused on back office functions such as finance. These proposals would therefore place additional pressure on functions with a reduced capacity. All sub-regional councils are making savings in finance of over 30%.

The likely impact of this proposal would be a far greater reliance on estimates and a reduction in quality. This would lead to an increase in mismatches between organisations in the WGA process. The issue with the WGA process is already one of quality not timeliness. In addition the resourcing of the production and collation of the WGA returns for Local Authorities is an issue as the returns this year were issued late and with numerous bugs.

If the proposal is implemented it needs to be phased over more than one year. The three month reduction in accounts closure timescales was phased over three years. The changes required to meet a further reduction would be far more radical than those previously required.

The public's right of inspection of the accounts

There is little take up. Electors and other stakeholders can access relevant information in other ways such as FOI requests and transparency reporting.



NORTH LINCOLNSHIRE COUNCIL

Local Code of Corporate Governance

December 2013



1. Introduction

North Lincolnshire Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance, as recommended within the CIPFA / SOLACE¹ Guidance.

The basic principles of good corporate governance require the council to carry out its functions in a way that demonstrates accountability, effectiveness, integrity, inclusivity and is up to date. The council fully supports these principles.

The Code is a public statement of the council's commitment to these principles and sets out clearly the way in which it will meet that commitment.

During 2012/13 North Lincolnshire Council carried out an evaluation of its corporate governance arrangements and, in doing so, made reference to both the Guidance and Framework documents published by CIPFA / SOLACE in November 2012 entitled "Delivering Good Governance in Local Government".

This document, North Lincolnshire's "Local Code of Corporate Governance", identifies the arrangements that have been made, and indeed will continue to be made, to ensure its ongoing effective implementation and application in all aspects of the council's work.

2. What is Corporate Governance?

For the purpose of this Local Code, the council has accepted the definitions of Corporate Governance as stated within the CIPFA / SOLACE documents, as follows;

"Corporate governance is the systems by which local authorities direct and control their functions and relate to their communities".

"Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner."

The Council recognises that the setting of high standards of self – governance provides a clear and demonstrable lead to both our existing and potential partners, and therefore provides the basis of effective community governance. Achievement of these high standards will establish and maintain public confidence in the working of the council and the services that we provide.

3. North Lincolnshire's Commitment

North Lincolnshire Council is committed to the principles of good corporate governance. This is evidenced by:

- ❖ The Strategy (This sets out the priorities and strategic direction for the council under an overarching vision of 'Putting Our Customers First' and four priorities).
- ❖ The Constitution and Delegations to Proper Officers
- ❖ Codes of Conduct for Members and Officers and revised Standards Committee regime (compliant with Localism Act 2011).

¹ CIPFA – the Chartered Institute of Public Finance and Accountancy
SOLACE – Society of Local Authority Chief Executives

- ❖ The Performance Management Framework
- ❖ The Risk Management Strategy and Action Plan
- ❖ Internal Audit Charter.
- ❖ The Counter Fraud Strategy
- ❖ Audit Committee Terms of Reference and Forward Plan of reports
- ❖ Key policies and procedures such as Financial Regulations, Contract Procedure Rules, Information Management Policies and Human Resources Policies
- ❖ Annual Governance Statement

4. The Core Principles of Corporate Governance

In accordance with the revised CIPFA / SOLACE Framework, North Lincolnshire recognises the following “Core Principles” to its corporate activities, accepting that these are not mutually exclusive.

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

The council promotes strategic leadership by developing and clearly communicating the authority’s purpose and vision and its intended outcome for citizens and service users. The council seek to make the best use of resources to ensure service users and tax payers receive high quality services (whether directly or in partnership or by commissioning) and excellent value for money. To demonstrate this commitment some of the measures the council has in place are:

- Development and promotion, and subsequent review of the council’s purpose and vision for the local area. This includes ensuring partnerships are underpinned by a common vision.
- An annual report and various publications communicating the financial position and performance of the council.
- Quality and value for money measures.
- Effective mechanisms to identify and deal with failure in service delivery.

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

The council is committed to ensuring an effective leadership throughout the authority by being clear about executive functions and of the roles and responsibilities of the scrutiny function. The council also ensures constructive working relationships exist between elected members and officers and that the responsibilities of members and officers are carried out to a high standard. Also that relationships between the authority and the public are clear so that each know what to expect of the other.

Some of the measures the council has in place to meet this commitment include:

- Clear statements of the roles and responsibilities of the executive, executive members, members and senior officers.

- A scheme of delegation and a formal schedule of matters reserved for collective decision in the Constitution that is monitored and updated when required.
- A Chief Executive responsible and accountable for all aspects of operational management.
- Protocols to ensure the Leader and Chief Executive have a shared understanding of roles and objectives, and effective communication between members and officers.
- A Chief Financial (S151) Officer responsible for ensuring appropriate advice is given on all financial matters, keeping proper records, and for maintaining a sound system of internal financial control.
- Approved terms and conditions for remuneration of members and officers, and an effective structure for managing the process.
- A Monitoring Officer responsible for ensuring agreed procedures are followed and that all applicable statutes and regulations are complied with.

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

The council encourages members and officers to exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance, and ensuring that organisational values are put into practice and are effective.

Some of the measures in place which demonstrate this commitment are:

- An organisational culture model which is based on effective leadership and treatment with respect. Staff views are actively sought through employee surveys and action plans are produced to improve areas highlighted through the responses.
- Codes of Conduct for Members and Employees.
- A Counter Fraud Strategy which includes the Whistleblowers Charter and a hotline for employees and customers to report irregularity and fraud.
- Standing Orders, Financial Regulations and Contract Procedure Rules as well as guidance manuals on Human Resources, Finance, Procurement and Health and Safety Procedures, to train and support staff in applying policy and procedure consistently.
- A Standards Committee with the remit to investigate allegations made in relation to members conduct.

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

The council recognises that being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny is essential. Having good quality information, advice and support is vital to ensure that services are delivered effectively and are what the community wants/needs.

Some of the measures in place which demonstrate this commitment are

- An effective scrutiny function that covers all services and partnerships with clear terms of reference and an explicit role in performance monitoring.
- A comprehensive Constitution which sets out delegations of the executive, committees and senior officers, and the decision making process to be applied.
- An effective Audit Committee.
- Publication of agendas, reports and minutes on the council website and meetings are open to the public unless in the case of exempt items.
- Standard reporting format to ensure that all those responsible for taking decisions have the necessary information on which to do so.
- Risk management arrangements that are embedded across all service areas and help inform decision making.

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

The council is committed to making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles, and to developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.

Some of the measures in place to meet this commitment are:

- A commitment to training through various inductions packages and training opportunities for members and officers, also individual training requirements identified are met through tailored training packages
- Workforce planning and an employee appraisal process which aims to identify training needs and address them accordingly

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

The council aims to exercise leadership through a robust scrutiny function, which effectively engages local people and all institutional stakeholders including partnerships, and develops constructive accountability relationships.

The council promotes:

- Dialogue with, and accountability to, the public

- Appropriate service delivery whether directly by the authority, in partnership or by commissioning
 - Making best use of human resources by taking an active and planned approach to meet responsibility to staff

Some of the measures, in addition to those above, in place to meet this commitment are:

- A public engagement framework and numerous forums and groups are in place to encourage engagement from all stakeholders
- A clear policy on consultation to help inform policy, shape and improve services and help the council deliver against its priorities
- A communication strategy for improving communication across the council and with residents.
- The website and publication strategy to ensure all required documents can be accessed, also a translation service to ensure they are available in all languages and formats
- The council's magazine North Lincs News Direct provides information for all householders and new channels are being used such as web based and other social media opportunities
- An annual report is produced, showing the financial position of the council and performance levels in the year
- Transparency reports of expenditure and performance

North Lincolnshire accepts that in conducting its activities, one or more of the above 'core principles' will be applicable, and within these the supporting principles and specific requirements should be applied.

5. Corporate Governance at North Lincolnshire – In Practice

North Lincolnshire conducted an evaluation of its corporate governance arrangements during 2012/13.

This evaluation reviewed the adequacy of corporate governance arrangements, evaluating procedures, policies and practices against the revised best practice framework produced by CIPFA/SOLACE.

The evaluation concluded that the council has adequate procedures and policies in place to show good corporate governance. It is acknowledged that there is a changing environment and a need to ensure good governance applies equally to partnership arrangements.

Key decision-making documents are reviewed regularly to ensure they are up to date and relevant. Further issues will be addressed as they arise.

North Lincolnshire's Council Management Team will provide updates to Elected Members and staff on progress with issues arising from corporate governance requirements.

6. Corporate Governance at North Lincolnshire – The Future

Members and Senior Officers recognise that the annual evaluation of North Lincolnshire's Corporate Governance arrangements is an invaluable and very positive process.

In addition to identifying areas where work now needs to be carried out, it has also confirmed much of the good work already being carried out corporately.

Consequently North Lincolnshire is entirely committed to developing its arrangements for corporate governance in order to ensure that proper procedures are put in place for the effective governance of the Council's affairs and the stewardship of the resources at its disposal.

To this end, North Lincolnshire will:

- a) Designate the Director of Policy and Resources as the Officer responsible for overseeing, implementing, monitoring and reviewing the operation of the Code in practice.
- b) Report annually to the Audit Committee on compliance with the Code and any changes that may be necessary to maintain it and ensure its effectiveness in practice. This will include any recommendations made by Internal Audit and recognised external bodies such as the Audit Commission and External Auditors.
- c) Review compliance with the CIPFA/SOLACE guidance annually, to identify areas of the Code where further work is required, resulting from the audit, including the allocation of appropriate resources, time scales and the designation of Lead Officers.
- d) Provide an annual statement in key corporate documents e.g. Annual Governance Statement, how North Lincolnshire is complying with the Code, including how it has maintained the effectiveness of its corporate governance arrangements during the year, and any planned changes for the forthcoming year.

7. Conclusion

North Lincolnshire Council remains fully committed to the principles of corporate governance, and through the measures outlined within this Local Code of Corporate Governance will ensure that adequate arrangements are made with regard to its continued implementation, monitoring and reviewing.

December 2013