

# Audit and Corporate Governance Committee

Date: **Friday, 25th January, 2008**

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Time: **10.00 a.m.**

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Place: **: Council Chamber, Brockington, 35  
Hafod Road, Hereford, HR1 1SH**

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Notes: Please note the **time, date** and **venue** of the meeting.

*For any further information please contact:*

*Paul Rogers, Democratic Services Officer. Tel  
01432 383408*

**E-mail [progers@herefordshire.gov.uk](mailto:progers@herefordshire.gov.uk)**

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**County of Herefordshire  
District Council**



# AGENDA

## for the Meeting of the Audit and Corporate Governance Committee

To: Councillor ACR Chappell (Chairman)  
Councillor (Vice-Chairman)

Councillors MJ Fishley, JHR Goodwin, R Mills, RH Smith and AM Toon

In Attendance: Councillor H Bramer, Cabinet Member (Resources), and  
T Tobin, Audit Commission.

	Pages
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. NAMED SUBSTITUTES(IF ANY)</b>	
To receive any details of Members nominated to attend the meeting in place of a Member of the Committee.	
<b>3. DECLARATIONS OF INTEREST</b>	
To receive any declarations of interest by Members in respect of items on the Agenda.	
<b>4. MINUTES</b>	1 - 6
To approve and sign the Minutes of the meeting held on 21 <sup>st</sup> December 2007.	
<b>5. ANNUAL GOVERNANCE STATEMENT</b>	7 - 30
To consider a report on the requirement for the Council to have an Annual Governance Statement, evidenced by an assurance framework and to review and comment on the suggested approach before it is submitted to Cabinet for comment and approval	



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- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of the Cabinet, of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

**MINUTES of the meeting of Audit and Corporate Governance Committee held at : The Council Chamber, Brockington, 35 Hafod Road, Hereford. on Friday, 21st December, 2007 at 10.00 a.m.**

**Present:** Councillor ACR Chappell (Chairman)

**Councillors:** PGH Cutter, MJ Fishley, JHR Goodwin, R Mills and AM Toon

**In attendance:** Councillors GFM Dawe, PJ Edwards and AT Oliver

**52. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor RH Smith.

**53. NAMED SUBSTITUTES(IF ANY)**

Councillor PGHCutter substituted for Councillor RH Smith.

**54. DECLARATIONS OF INTEREST**

There were no declarations of interest received.

**55. MINUTES**

**RESOLVED: That**

(i) **subject to the following amendments, the Minutes of the meeting held on the 30th November 2007 excluding the Exempt Minute considered later in the meeting, Minute No. 60 refers, be approved as a correct record and signed by the Chairman:**

(a) **the word 'have' being replaced with the word 'had' in line one of paragraph (c) to Minute No.47;**

(b) **the following words be added after the Resolution to Minute No.51:**

**'RESOLVED: That the meeting move into closed session to consider exempt items.'**

**56. UPDATE ON COMMUNITY NETWORK UPGRADE AND CRITICAL RECOMMENDATIONS IN USE OF CONTRACTORS IN ICT SERVICES**

The Committee considered a report submitted by Mrs J Jones, Director of Corporate and Customer Services, which provided an update on progress made in the review

of the community network contract and the four critical recommendations arising from the use of contractors ICT audit report. The report also took account of the recently received Crookall report.

Mrs Jones made reference to the financial implications on page 7 of the report and informed the Committee that currently work was in progress and that further updates would be presented to the Committee in due course. With regard to the delayed workshop session for Legal, Audit, Procurement and ICT Services, as referred to in paragraph 3 on page 8 of the report, Mrs Jones informed the Committee that it had taken place on 17th December 2007 and that it had been productive for all parties involved.

Mrs Jones referred to the Information Policy Group (IPG) more particularly referred to in paragraph 8 of the report which she was already Chairman of, and informed Members that the Group was currently considering the business cases of ten projects.

In response to a request by Councillor PGH Cutter, the Chairman gave an assurance that a practical procurement guide based on the outcomes of the workshop would be made available in the Members Room in due course.

Councillor AT Oliver referred to a review contract being undertaken by the Society of Information Technology Managers and asked the value of the contract. Chris Bull, Chief Executive, informed the Committee that when the contract had been completed the cost could be made public.

Discussion ensued regarding the Tender process, contract costs and the utilisation of Prince 2 Project Management. Councillor AM Toon proposed that all Councillors be given half day awareness training on the Prince 2 Project Management.

Chris Bull agreed to incorporate a suggestion by Councillor GFM Dawe for Member training with regard to analysis of business cases.

Councillor PJ Edwards requested a timescale in respect of the replacement of out of date ICT systems and associated revenue support costs. Mrs Jones informed the Committee that this work was in progress and that a report on the issues would be submitted to the Committee at a later date.

**RESOLVED: That**

- (i) all Councillors be given half day awareness training on Prince 2 Project Management and also on the analysis of business cases; and**
- (ii) the report be noted.**

**57. PROGRESS REPORT NO.3 - DIRECTOR OF RESOURCES SPECIAL REPORT**

The Committee considered a report submitted by Mrs S Rees, Director of

Resources, which provided a third update on progress with regard implementing the action plan agreed by Cabinet in response to the Director of Resources' special report and outlined the way forward.

Discussion ensued regarding the flexibility of Member's travel and subsistence claims outside the one month limit. Members noted that from a public inspection and administrative viewpoints the preferred limit was more practical.

**RESOLVED: That the progress made to date and the proposed way forward in respect of the action plan, more particularly referred to in the report, be noted.**

**58. REVIEW OF THE SCHEME OF DELEGATION, BUDGET AND POLICY  
PROCEDURE RULES, FINANCIAL PROCEDURE RULES AND CONTRACT  
PROCEDURE RULES**

The Committee considered a report seeking approval to proposed revisions to the Constitution in line with the resolution made by Council on 2nd November 2007.

Councillor PGH Cutter gave details of minor amendments which he considered necessary to wording in the Appendices attached to the report. Councillor PJ Edwards also suggested an amendment.

**RESOLVED: That subject to the following amendments, the proposed amendments to the Constitution as set out in the Appendices attached to the report be approved for further consideration as detailed in paragraph 5 of the report:**

- (i) **the Appendices attached to the report be amended as follows:**
  - (a) **'12.6' be replaced with '12.6.1' in paragraph 12.6.2 in Part 12 Scheme of Delegation;**
  - (b) **the word 'shall' be inserted after the word 'Board' in paragraph 12.7.22 in Part 12 Scheme of Delegation;**
  - (c) **the word 'Health' be deleted after the word 'Service' in the second line in paragraph 12.10.4 in Part 12 of the Scheme of Delegation;**
  - (d) **the word 'Health' be inserted after the word 'National' in the second line of paragraph 12.10.4 in Part 12 of the Scheme of Delegation;**
  - (e) **the words 'It is imperative that' be deleted from line 1 in paragraph 3.15 in Appendix 4;**
  - (f) **the word 'any' be replaced with the word 'an' in line 1 in paragraph 11.11 in Appendix 4;**
  - (g) **the word 'might' be replaced with the word 'should' in the first line of paragraph 5.3.27 in Appendix 5;**

**59. UPDATED INTERIM ASSURANCE REPORT 2007/08 NO.4**

The Committee considered a report submitted by Mr T Ford, Chief Internal Auditor, which updated the Committee with an interim Assurance report for 2007/08. The report gave an update on progress with the significant internal control issues identified in the Assurance report 2006/07 and outlined the significant internal control issues identified to date in 2007/08.

Mr Ford referred to paragraph 9 of the report and informed the Committee that seven schools had not yet completed their report and therefore had not been assessed by Audit. An appropriate report on the outcome of the assessment would be submitted to the Committee in due course.

With regard to certain issues raised by Members, Mr Ford informed the Committee that he would ensure that the schools audit programme includes consideration of the most recent Ofsted report.

Councillor PJ Edwards made reference to the Drugs Forum Partnership referred to in paragraphs 10 and 11 of the report and suggested the use of best practice with a view to achieving positive management of the Partnership.

**RESOLVED: That**

- (i) the use of best practice be suggested to the Social Economic and Regeneration Manager with regard to the management of the Drugs Forum Partnership;**
- (ii) the report be noted.**

**EXCLUSION OF THE PUBLIC AND PRESS**

**In the opinion of the Proper Officer, the following item will not be, or is likely not to be, open to the public and press at the time it is considered.**

**RECOMMENDATION: that under section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below:**

**The item contains information relating to an individual.**

**60. EXEMPT MINUTE**

Further to Minute No. 55 to these Minutes, the Committee considered an Exempt Minute of the meeting held on 30th November 2007.

**RESOLVED: That the Exempt Minute of the meeting held on the 30th  
November 2007 be approved as a correct record and signed by the Chairman.**

The meeting ended at 1.30 p.m.  
<LAYOUT\_SECTION>

**CHAIRMAN**



**ANNUAL GOVERNANCE STATEMENT 2007/08****Report By: CHIEF INTERNAL AUDITOR****Wards Affected**

None.

**Purpose**

To report to the Audit and Corporate Governance Committee on the requirement for the Council to have an Annual Governance Statement, evidenced by an assurance framework. The Committee is requested to review and comment on the suggested approach before it is submitted to Cabinet for comment and approval.

**Financial Implications**

None directly arising from this report.

**RECOMMENDATION****THAT:**

- (a) **The Audit and Corporate Governance Committee together with the Standards Committee are made responsible for approving the Annual Governance Statement;**
- (b) **Subject to any comments from the Audit and Corporate Governance Committee and the Standards Committee the framework as set out in Appendix 1 to 3 is approved for submission to Cabinet.**
- (c) **The Code of Corporate Governance is reviewed by the Director of Resources and the Monitoring Officer in the light of the new requirements for the Annual Governance Statement by March 2008.**
- (d) **The new framework is subject to an annual review by Cabinet, the Audit and Corporate Governance Committee and the Standards Committee.**

**Reasons**

Previously Regulation 4 of the Accounts and Audit Regulations 2003 required the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and publish a Statement on Internal Control each year with it's annual statement of accounts .

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Further information on the subject of this report is available from Tony Ford (Chief Internal Auditor)  
on tel: (01432) 260425

The Department for Communities and Local Government Circular 03/2006 and the Use of Resources 2008 assessment require a change in approach with the Council replacing the Statement on Internal Control with an Annual Governance Statement (AGS).

The Society of Local Authority Chief Executives and Senior Managers (SOLACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) have jointly published guidance on delivering good governance in local government in line with the latest regulations.

The key lines of enquiry for Use of Resources 2008 assessments highlight the need for the Council to have arrangements in place to maintain a sound system of internal control. The criteria are as follows:-

- An appropriate member group has responsibility for review and approval of the governance statement, and considers it separately from the accounts (Level 2);
- The Council has conducted an annual review of the effectiveness of its governance framework, including the system of internal control, and reported on this in the governance statement ( Level 2 ) ;
- The sources to support the governance statement have been identified and are reviewed by senior officers and members (Level 2);
- There are action plans in place to address any significant governance issues reported in the governance statement (Level 2);
- The Council has put in place an assurance framework that maps the council's strategic objectives to risks, controls and assurances (Level 3);
- The assurance framework provides members with information to support the governance statement (Level 3);
- The assurance framework is fully embedded in the Council's business process (Level 4); and
- The Council can demonstrate corporate involvement in/ownership of the process for preparing the governance statement (Level 4).

## Considerations

1. The Audit and Corporate Governance Committee will be aware of the requirement in previous years for the Council to produce a Statement on Internal Control as part of its published annual statements of account. The Committee reviewed and approved the Statement on Internal Control for 2006-07 at its meeting on 29<sup>th</sup> June 2007.
2. The Council will have to develop a revised Code of Corporate Governance based upon the following six core principles:-

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Further information on the subject of this report is available from Tony Ford (Chief Internal Auditor)  
on tel: (01432) 260425



- a) A clear definition of the Council's purpose and desired outcomes.
  - b) Well defined functions and responsibilities.
  - c) An appropriate corporate culture.
  - d) Transparent decision making.
  - e) A strong governance team.
  - f) Real accountability to stakeholders.
4. Linked to the above six key principles are 18 supporting principles (Appendix 1 refers).
  5. The Annual Governance Statement is more wide ranging than the Statement on Internal Control as it comprises the systems, processes, culture and values by which Herefordshire Council is directed and controlled in addition to its activities through which it accounts to, engages with and leads the community.
  6. Under Financial Regulations the Director of Resources was charged with drafting the Statement on Internal Control, with input from other key managers, it is suggested that this approach continue for the Annual Governance Statement, with the Director of Resources retaining the lead role and the Corporate Management Team and the Monitoring Officer agreeing the AGS for submission to the Audit and Corporate Governance Committee.
  7. The Councils Annual Governance Framework has been developed by building on the framework used for the Council's Statement on Internal Control and information received from a neighbouring authority(Appendix 2 refers).
  8. There is also a requirement to identify sources supporting the governance statement and that these sources of evidence are reviewed by Corporate Management Board and members (Appendix 3 refers).

## **Risk Management**

The Council has a legal obligation to produce an Annual Governance Statement; this is also a requirement of the Use of Resources assessment. The risk is that the Council does not comply. Approval of Appendices 1 to 3 will aid compliance. In addition the council has nominated a Member of the Council's Corporate Management Board to oversee compliance.

## **Background Papers**

SOLACE./CIPFA publication 'Delivering Good Governance in Local Government'.

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Further information on the subject of this report is available from Tony Ford (Chief Internal Auditor)  
on tel: (01432) 260425



## Delivering Good Governance In Local Government

### **PRINCIPLE 1 - Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area**

<b>The code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• develop and promote the authority's purpose and vision</li> </ul>	<ul style="list-style-type: none"> <li>• corporate and service planning</li> <li>• shaping the community strategy</li> <li>• local area or performance agreements</li> </ul>
<ul style="list-style-type: none"> <li>• review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• governance code</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</li> </ul>	<ul style="list-style-type: none"> <li>• partnership protocol</li> <li>• governance code</li> </ul>
<ul style="list-style-type: none"> <li>• publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance</li> </ul>	<ul style="list-style-type: none"> <li>• annual financial statements</li> <li>• annual business plan</li> <li>• annual report</li> </ul>
<ul style="list-style-type: none"> <li>• decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</li> </ul>	<ul style="list-style-type: none"> <li>• this information is reflected in the authority's:               <ul style="list-style-type: none"> <li>○ corporate plan</li> <li>○ annual business plan</li> <li>○ medium-term financial strategy</li> <li>○ resourcing plan</li> <li>○ Customer Surveys</li> <li>○ Equality Impact Assessment</li> </ul>               in order to ensure improvement             </li> </ul>
<ul style="list-style-type: none"> <li>• put in place effective arrangements to identify and deal with failure in service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• complaints procedure</li> </ul>
<ul style="list-style-type: none"> <li>• decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• the results are reflected in authority's performance plans and in reviewing the work of the authority.</li> </ul>

## Delivering Good Governance In Local Government

### **PRINCIPLE 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles**

<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice</li> <li>• set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> <li>• record of decisions and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>• determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> </ul>
<ul style="list-style-type: none"> <li>• make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management</li> </ul>	<ul style="list-style-type: none"> <li>• conditions of employment</li> <li>• scheme of delegation</li> <li>• statutory provisions</li> <li>• job descriptions/specification</li> <li>• performance management system</li> </ul>
<ul style="list-style-type: none"> <li>• develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</li> </ul>	<ul style="list-style-type: none"> <li>• new chief executive and leader pairing consider how best to establish and maintain effective communication</li> </ul>
<ul style="list-style-type: none"> <li>• make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</li> </ul>	<ul style="list-style-type: none"> <li>• section 151 responsibilities</li> <li>• statutory provision</li> <li>• statutory reports</li> <li>• budget documentation</li> <li>• job description/specification</li> </ul>
<ul style="list-style-type: none"> <li>• make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</li> </ul>	<ul style="list-style-type: none"> <li>• monitoring officer provisions</li> <li>• statutory provision</li> <li>• job description/specification</li> </ul>

## Delivering Good Governance In Local Government

The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance
<ul style="list-style-type: none"> <li>• develop protocols to ensure effective communication between members and officers in their respective roles</li> </ul>	<ul style="list-style-type: none"> <li>• member/officer protocol</li> </ul>
<ul style="list-style-type: none"> <li>• set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)</li> <li>• ensure that effective mechanisms exist to monitor service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• pay and conditions policies and practices</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>• Community Strategy</li> <li>• corporate plans</li> <li>• budgets</li> <li>• performance plan/regime</li> </ul>
<ul style="list-style-type: none"> <li>• when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</li> <li>• when working in partnership</li> <li>• ensure that there is clarity about the legal status of the partnership</li> <li>• ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions</li> </ul>	<ul style="list-style-type: none"> <li>• protocols for partnership working. For each partnership there is:               <ul style="list-style-type: none"> <li>○ a clear statement of the partnership principles and objectives</li> <li>○ clarity of each partner's role within the partnership</li> <li>○ definition of roles of partnership board members</li> <li>○ line management responsibilities for staff who support the partnership</li> <li>○ a statement of funding sources for joint projects and clear accountability for proper financial administration</li> <li>○ a protocol for dispute resolution within the partnership</li> </ul> </li> </ul> <p>NB: from special report <i>Local Partnerships and Citizen Redress</i>, Local Government Ombudsman (2007)</p>

## Delivering Good Governance In Local Government

### **PRINCIPLE 3- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</li> </ul>	
<ul style="list-style-type: none"> <li>• ensure that standards or conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols</li> </ul>	<ul style="list-style-type: none"> <li>• members'/officers' code of conduct</li> <li>• performance management system</li> <li>• performance appraisal</li> <li>• complaints procedures</li> <li>• anti-fraud and -corruption policy</li> <li>• member/officer protocols</li> </ul>
<ul style="list-style-type: none"> <li>• put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	<ul style="list-style-type: none"> <li>• standing orders</li> <li>• codes of conduct</li> <li>• financial regulations</li> </ul>
<ul style="list-style-type: none"> <li>• develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners</li> </ul>	<ul style="list-style-type: none"> <li>• codes of conduct</li> </ul>
<ul style="list-style-type: none"> <li>• put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</li> </ul>	<ul style="list-style-type: none"> <li>• codes of conduct</li> </ul>
<ul style="list-style-type: none"> <li>• develop and maintain an effective standards committee</li> </ul>	<ul style="list-style-type: none"> <li>• terms of reference</li> <li>• regular reporting to the council</li> </ul>
<ul style="list-style-type: none"> <li>• use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority</li> </ul>	<ul style="list-style-type: none"> <li>• decision-making practices</li> <li>• Values Statement</li> </ul>
<ul style="list-style-type: none"> <li>• in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively</li> </ul>	<ul style="list-style-type: none"> <li>• protocols for partnership working</li> </ul>

## Delivering Good Governance In Local Government

### **PRICIPLE 4- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible</li> </ul>	<ul style="list-style-type: none"> <li>• scrutiny is supported by robust evidence and data analysis</li> </ul>
<ul style="list-style-type: none"> <li>• develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</li> </ul>	<ul style="list-style-type: none"> <li>• decision-making protocols record of decisions and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>• put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	<ul style="list-style-type: none"> <li>• members' code of conduct</li> </ul>
<ul style="list-style-type: none"> <li>• develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee</li> </ul>	<ul style="list-style-type: none"> <li>• terms of reference</li> <li>• membership</li> <li>• training for committee chairs/members</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</li> </ul>	<ul style="list-style-type: none"> <li>• complaints procedure</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</li> </ul>	<ul style="list-style-type: none"> <li>• members' induction scheme</li> <li>• training for committee chairs</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• record of decision making and supporting materials</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs</li> </ul>	<ul style="list-style-type: none"> <li>• risk management protocol</li> <li>• financial standards and regulations</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</li> </ul>	<ul style="list-style-type: none"> <li>• whistle-blowing policy</li> </ul>

## Delivering Good Governance In Local Government

<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> <li>• monitoring officer provisions</li> <li>• statutory provision</li> </ul>
<ul style="list-style-type: none"> <li>• recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</li> </ul>	
<ul style="list-style-type: none"> <li>• observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes.</li> </ul>	<ul style="list-style-type: none"> <li>• monitoring officer provisions</li> <li>• job description/specification</li> <li>• statutory provision</li> </ul>



## Delivering Good Governance In Local Government

### **PRINCIPLE 5- Developing the capacity and capability of members and officers to be effective**

<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• training and development plan</li> <li>• induction programme</li> <li>• update courses/information</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority</li> </ul>	<ul style="list-style-type: none"> <li>• job description/personal specifications membership/access to top management team</li> </ul>
<ul style="list-style-type: none"> <li>• assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</li> </ul>	<ul style="list-style-type: none"> <li>• training development plan</li> </ul>
<ul style="list-style-type: none"> <li>• develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</li> </ul>	<ul style="list-style-type: none"> <li>• training and development plan reflect requirements of a modern councillor including:               <ul style="list-style-type: none"> <li>○ the ability to scrutinise and challenge</li> <li>○ the ability to recognise when outside advice is required</li> <li>○ advice on how to act as an ambassador for the community</li> <li>○ leadership and influencing skills</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs</li> </ul>	<ul style="list-style-type: none"> <li>• performance management system</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority</li> </ul>	<ul style="list-style-type: none"> <li>• strategic partnership framework</li> <li>• stakeholders' forums' terms of reference</li> <li>• area forums' roles and responsibilities</li> <li>• residents' panel structure</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that career structures are in place for members and officers to encourage participation and development</li> </ul>	<ul style="list-style-type: none"> <li>• succession planning</li> </ul>

## Delivering Good Governance In Local Government

### **PRINCIPLE 6- Engaging with local people and other stakeholders to ensure robust public accountability**

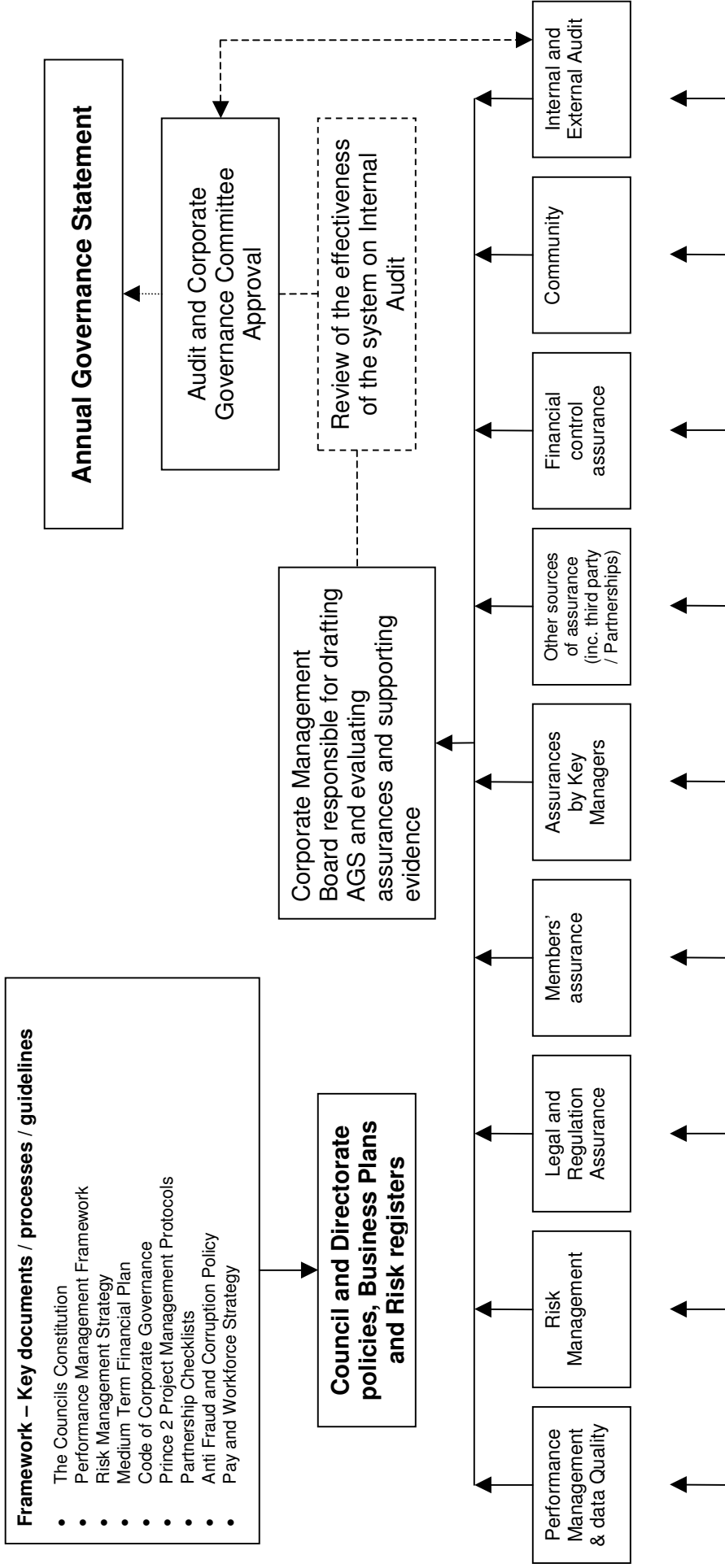
<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• make clear to themselves, all staff and the community to whom they are accountable and for what</li> <li>• consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required</li> </ul>	<ul style="list-style-type: none"> <li>• community strategy</li> <li>• Strategy Partnerships</li> </ul>
<ul style="list-style-type: none"> <li>• produce an annual report on the activity of the scrutiny function</li> </ul>	<ul style="list-style-type: none"> <li>• annual report</li> </ul>
<ul style="list-style-type: none"> <li>• ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively</li> <li>• hold meetings in public unless there are good reasons for confidentiality</li> <li>• ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands</li> </ul>	<ul style="list-style-type: none"> <li>• community strategy</li> <li>• processes for dealing with competing demands within the community</li> <li>• Communications Strategy</li> <li>• Involvement and partnership Strategy</li> </ul>
<ul style="list-style-type: none"> <li>• establish a clear policy of the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result</li> </ul>	<ul style="list-style-type: none"> <li>• partnership framework</li> <li>• communication strategy</li> </ul>
<ul style="list-style-type: none"> <li>• on an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period</li> </ul>	<ul style="list-style-type: none"> <li>• annual report</li> <li>• annual financial statements</li> <li>• corporate plan</li> <li>• annual business plan</li> </ul>

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<b>The local code should reflect the requirement for local authorities to:</b>	<b>Source documents/good practice/other means that may be used to demonstrate compliance</b>
<ul style="list-style-type: none"> <li>• ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> </ul>
<ul style="list-style-type: none"> <li>• develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</li> </ul>	<ul style="list-style-type: none"> <li>• constitution</li> </ul>



ANNUAL GOVERNANCE STATEMENT FRAMEWORK 2007/08



Ongoing assurance on adequacy and effectiveness of controls over key risks (Appendix 3 refers)



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2007/08 Sources of Evidence and Monitoring

AREA	Document/Report	Responsible Officer	Committee
Performance Management and Data Quality			
	Corporate Plan and Annual Operating Plan	Tony Geeson	Cabinet and Strategic Monitoring
	Directorate Service Plans	Gi Cheesman Michael Hainge Geoff Hughes Jane Jones Sharon Menghini Sonia Rees	N/a
	Service Area Plans	Directorate Management Team Members	N/a
	Integrated Performance Reports	Tony Geeson	Strategic Monitoring Committee and Cabinet
	Performance Framework Review by Audit Services	Tony Ford	Audit and Corporate Governance Committee
	Review of High Risk Performance Indicators by Audit Services	Tony Ford	Audit and Corporate Governance Committee
	JAR Improvement Plan	Sharon Menghini	Cabinet
	Annual review of Children and Young People Plan and Annual Performance Assessment submission	Sharon Menghini	Children's Services Scrutiny Committee and Cabinet
	Commission for Social Care Inspection Report on Services for People with Learning Disabilities and the Councils Action plan	Steve Martin	Adult Social Care and Strategic Housing Scrutiny Committee and Cabinet
	Security Review- Modernisation of day Opportunities For Older	Eleanor Brazil	Adult Social Care and Strategic Housing Scrutiny Committee

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<b>AREA</b>	<b>Document/Report</b>	<b>Responsible Officer</b>	<b>Committee</b>
	People		
	Cultural Services Comprehensive Performance Assessment Report	Natalia Silver	Community Services Scrutiny Committee and Cabinet
	Review of the Support for Museums and Heritage Centres	Natalia Silver	Community Services Scrutiny Committee and Cabinet
	Children and Young People's Directorate Plan	Sharon Menghini	Children's Services Scrutiny Committee
	Performance Monitoring Reports	All Directors	Scrutiny Committees
	Progress on Improvement in Children and Young People's Services	Sharon Menghini	Cabinet
	Children and Young People's Plan Annual Review 2007 and Annual Performance assessment	Sharon Menghini	Cabinet
<b>Risk Management</b>	Monthly reviews of the Corporate Risk Register	Chris Bull	N/a
	Monthly Reviews of Directorate Risk Registers	Gi Cheesman Michael Hainge Geoff Hughes Jane Jones Sharon Menghini Sonia Rees	N/a
	Monthly review of service level risk registers by Service Management Teams	Directorate Management Team Members	N/a
	Annual Review of the Council's Risk Management Process by Audit Services	Tony Ford	Cabinet and Audit and Corporate Governance Committee
	Integrated Performance Reports	Tony Geeson	Strategic Monitoring Committee and Cabinet
	Monthly reviews of service level risk registers by Senior	All Heads of Service	N/a



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<b>AREA</b>	<b>Document/Report</b>	<b>Responsible Officer</b>	<b>Committee</b>
	Management Team Members		
<b>Legal and Regulation Assurance</b>			
	Biannual Monitoring Officer Report	Alan McLaughlin.	Audit and Corporate Governance Committee
<b>Members Assurance</b>	Annual Scrutiny Report	Tim Brown	Cabinet
	Annual Declaration of Interests	All Members	Audit and Corporate Governance Committee.
	Annual Review of Member expenses	Tony Ford	Audit and Corporate Governance Committee.
	Strategic Monitoring Reports	Tim Brown	Cabinet
<b>Assurances by Directors and Heads of Service</b>			
	Annual Declaration of Interests	Chief Executive, Directors and Heads of Service.	Exception reports to the Audit and Corporate Governance Committee
	Quarterly Assurance Statements	All Directors and Heads of Service	Exception reports to the Audit and Corporate Governance Committee
	Quarterly Returns reporting any frauds	All Directors and Heads of Service	Exception reports to the Audit and Corporate Governance Committee
<b>Assurances by Other Key Managers</b>	Quarterly Assurance Statements	Key Managers	Exception reports to the Audit and Corporate Governance Committee
<b>Other Sources of Assurance</b>	Partnership Checklist completed for Key Partnerships	Relevant Heads of Service	Exception reports to the Audit and Corporate Governance Committee
	Corporate ICT Strategy	Relevant Head of Service	Cabinet
	Procurement Strategy	Dean Hogan	Strategic Monitoring Committee
	Herefordshire Jarvis	Michael Hainge	Cabinet
	Scrutiny Review of ICT Services- Executive Action Plan Progress Report	Relevant Head of Service	Strategic Monitoring Committee and Cabinet
	Special Report from the Director of Resources	Sonia Rees	Cabinet
	Herefordshire Connects Progress	Jane Jones	Strategic Monitoring and Cabinet

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<b>AREA</b>	<b>Document/Report</b>	<b>Responsible Officer</b>	<b>Committee</b>
<b>Financial Control Assurances</b>	External Inspections	As appropriate	Cabinet
	Financial Control of Capital Schemes in Property Services	Sonia Rees	Strategic Monitoring Committee
	Funding arrangements for Riverside Primary School and Sutton St. Nicholas Primary School.	Sonia Rees	Cabinet
	Treasury Management Activities	David Powell	Cabinet
	Annual Efficiency Statement	David Powell	Strategic Monitoring Committee and Cabinet
	Capital Programme	Sonia Rees	Cabinet
	Statement of Accounts	Sonia Rees	Audit and Corporate Governance Committee
	Councils Budget	Sonia Rees	Cabinet
	Medium Term Financial Plan	Sonia Rees	Cabinet
	The Financial Position arising from July 2007 Floods	David Powell	Cabinet
<b>Community</b>	Integrated Performance Report	Tony Geeson	Strategic Monitoring Committee and Cabinet
	Comprehensive Spending Review and pre budget 2007	Sonia Rees	Cabinet
	Budget Monitoring Reports	David Powell	Scrutiny Committees
	Capital Investment in Schools in Herefordshire: A Way Forward	George Salmon	Cabinet
	Community Forum Reports	Hazel Lavelle	Cabinet
	Annual Report on the Strategic Service Delivery Partnership	Michael Hainge	Environment Scrutiny Committee and Cabinet
	Herefordshire Community Strategy Plan	Jennifer Watkins	Strategic Monitoring Committee
	Ombudsman Letter and Complaints and Complements Monitoring 2006/07	Jane Jones	Strategic Monitoring Committee and Cabinet

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2007/08 Sources of Evidence and Monitoring**

<b>AREA</b>	<b>Document/Report</b>	<b>Responsible Officer</b>	<b>Committee</b>
	Review of Behaviour and Discipline Management in Herefordshire Schools	Sharon Menghini	Children's Services Scrutiny Committee
	Principles on Future Provision of School Places	George Salmon	Children's Services Scrutiny Committee
	The Councils Policy for Management of the Smallholdings Estate	Sonia Rees	Strategic Monitoring Committee
	Herefordshire Satisfaction Survey	Tony Geeson	Community Services Scrutiny Committee and Cabinet
	Household Waste Recycling in Herefordshire	Richard Wood	Environment Scrutiny Committee
	Travellers Policy	Andy Tector	Environment Scrutiny Committee
	Public Service Trust For Herefordshire	Russell Hamilton	Health Scrutiny Committee and Cabinet
	Reconfiguration of Mental Health Services	Sara Siloko	Health Scrutiny Committee
	Memorandum of Understanding between the Council and the Health Protection Agency	Philip Wilson	Health Scrutiny Committee
	Annual Report of the Director of Health 2007	Dr. Francis Howie	Health Scrutiny Committee
	Changes in the Management of Mental Health Services	Sara Siloko	Health Scrutiny Committee
	Brilly CE Primary School	George Salmon	Cabinet
	Homelessness Update	Derek Alan	Cabinet
	Fairer Charging	Andrew Tanner	Cabinet
	Review of School Provision	George Salmon	Cabinet
	Youth Justice Plan	Neil Pringle and Sharon Menghini	Cabinet

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<b>AREA</b>	<b>Document/Report</b>	<b>Responsible Officer</b>	<b>Committee</b>
	Local development Framework Core Strategy Issues Consultation	Kevin Singleton	Cabinet
	Concessionary Travel Scheme for older People and those with a Disability	Jim Davies	Cabinet
	Policy Statement for the Use of the rivers Wye and Lugg.	Bill Bloxsome	Cabinet
	Review of Herefordshire City Partnership	Natalia Silver	Community Services Scrutiny Committee
	The 18 – 35 Review	Natalia Silver	Community Services Scrutiny Committee
	Comprehensive Equality policy and Equality Schemes	Carol Trachonitis	Cabinet
	Hereford Children Centre	Stephanie Canham	Cabinet
	Local Area Agreement priority setting	Chris Bucknell	Cabinet
	Modernisation of Registration Service	Fiona Nicholls	Cabinet
	Herefordshire Housing post transfer improvement programme	Richard Gabb	Cabinet
	Affordable Housing development programme 2007/08	Richard Gabb	Cabinet
<b>Internal and External Audit</b>	Audit Plan	Tony Ford	Audit and Corporate Governance Committee
	Interim Assurance Reports	Tony Ford	Audit and Corporate Governance Committee
	Annual Assurance Report.	Tony Ford	Audit and Corporate Governance Committee
	Draft Annual Governance Statement	Sonia Rees	Audit and Corporate Governance Committee
	Annual Governance Letter	Audit Commission	Cabinet and Audit and Corporate Governance Committee
	Annual Audit and Inspection Report	Audit Commission	Cabinet and Audit and Corporate Governance Committee

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AREA	Document/Report	Responsible Officer	Committee
	Use of Resources Assessment	Audit Commission	Cabinet and Audit and Corporate Governance Committee
	Direction of Travel Assessment	Audit Commission	Cabinet

