

ASSURANCE SCHEDULE: EXTRACTED FROM “DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT: FRAMEWORK “ – CHAPTER 6 - The principles of good governance – application.

This Appendix utilises extracts from key elements of the CIPFA / SOLACE document “Delivering \ Good Governance in Local Government Framework” (2016) in order to show how the council complies with the requirements of good practice and the evidence which is available to support the statements made within the Annual Governance Statement. It should be noted that the revised 2016 framework places increased emphasis on culture, values and behaviour where it is more problematic – than in the case of processes and procedures - to provide evidence that appropriate cultures and behaviours are in place. The Audit Committee therefore needs to consider both the specific processes evidenced within this document together with the issue of whether the underlying culture, values and behaviour of the Council remain in line with the standards championed by the CIPFA / SOLACE document.

Extracts from the Code itself are shown in Italics in the section below:

The annual governance statement should be focused on outcomes and value for money and relate to the authority’s vision for the area. It should provide an assessment of the effectiveness of the authority’s governance arrangements in supporting the planned outcomes – not simply a description of them. Key elements of an authority’s governance arrangements are summarised in the next section.

7.5 The annual governance statement should include:

- *an acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control) and reference to the authority’s code of governance*

Position at NEDDC : This is set out within the Annual Governance Statement, with appropriate reference being made to the Code of Governance.

- *reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the authority, the executive, the audit committee, internal audit and others as appropriate*

Position at NEDDC : The Annual Governance Statement includes a section setting out “The Governance Framework” which address the issues identified above. This is followed by a section which undertakes a review of the effectiveness of the current arrangements.

- *an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework*

Position at NEDDC : The AGS highlights the areas of significant weakness which whilst requiring addressing as a matter of priority are not of such a scale as to

undermine the view that the Council's Governance Arrangements remain 'fit for purpose'. This Appendix in the sections below provides a more detailed assessment of the manner in which the Council's governance structures and partnership arrangements meet the principles set out within the CIPFA / SOLACE framework.

- *an agreed action plan showing actions taken, or proposed, to deal with significant governance issues*

Position at NEDDC : The Action Plan is set out at the end of the Annual Governance Statement. During the 2019/20 financial year the Council has successfully addressed the issues identified within the AGS in respect of 2018/19 (agreed April 2019). The further issues that have been identified during the course of this year are set out in the Action Plan in respect of 2019/20 and these will be managed as part of the Council's Performance Management Framework which monitors progress in addressing both the Council's Approved Budget and in the implementation of Internal Audit recommendations. This performance monitoring / management will cover all of the issues identified within the draft 2019/20 AGS which appears as Appendix 1 within this report.

reference to how issues raised in the previous year's annual governance statement have been resolved

Position at NEDDC : See above. In addition the requirement to ensure that the Council's budgets are balanced on an on-going basis has featured within the Council's AGS for a number of years. While the Council continues to meet this requirement on an annual basis it does need to be recognised that given the likelihood of further austerity measures in the wake of the Covid pandemic this requirement is likely to continue to constitute a key target for all local authorities for the foreseeable future. The Council is well aware of the links between effective financial management and good quality service provision and understands that a failure to effectively manage the financial position will invariably have an adverse impact upon local residents.

- *a conclusion – a commitment to monitoring implementation as part of the next annual review.*

Position at NEDDC : The final paragraph of the AGS provides a clear statement of commitment from the Leader of the Council and the Head of Paid Service both to address the issues that have been identified and to take action to ensure that further improvements in the Council's Governance arrangements are secured.

- 7.6 *The annual governance statement should be signed by the leading member (or equivalent) and chief executive (or equivalent) on behalf of the authority.*

Position at NEDDC : The Council is fully compliant with this requirement.

- 7.7 *The annual governance statement should be approved at a meeting of the authority or delegated committee (in Scotland, the authority or a committee with a remit including audit or governance).*

Position at NEDDC : The Council's Constitution sets out the role of the Audit Committee in the approval of the AGS on behalf of the Council.

Local authorities are required to include the annual governance statement with their statement of accounts. As the annual governance statement provides a commentary on all aspects of the authority's performance, it is appropriate for it to be published, either in full or as a summary, in the annual report, where one is published. It is important that it is kept up to date at time of publication.

Position at NEDDC : The AGS is published along with the Statement of Accounts.

Key elements of the structures and processes that comprise an authority's governance arrangements are summarised below. They do not need to be described in detail in the annual governance statement if they are already easily accessible by the public, for example through the authority's code of governance.

Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively.

Position at NEDDC : The Council has both a Members and an Employee Code of Conduct within the Council's Constitution. These are supported by a range of other policies / procedures which reflect best practice across the local government sector.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

Position at NEDDC : The Council has a qualified lawyer supported by an appropriately qualified legal team who undertakes the role of monitoring officer. All other Officers are appropriately qualified, trained and experienced to undertake their role and responsibilities in line with current legislation and recognised good practice. The Council has a formal appraisal process in place, supported by a training plan and appropriate funding to ensure that all officers retain / refresh the necessary levels of expertise in order to discharge their responsibilities effectively. All reports / new initiatives are subject to formal consideration by Council / Cabinet as appropriate and prior to being considered by Members they are reviewed by the Council's three statutory officers (Head of Paid Service, Monitoring Officer, Chief Financial Officer).

Documenting a commitment to openness and acting in the public interest.

Position at NEDDC : This is set out within the Council's Constitution :

"The job of a Councillor is to represent you even if you did not vote for them.....Councillors have a Code of Conduct to make sure they follow high standards in the way they carry out their role. There is a Standards Committee which trains, advises and deals with complaints against Councillors alleging that they have breached the Code of Conduct.

Article 1 of the Constitution sets out the following core principles

"(a) Mission.

The Council will seek to make a difference by building thriving communities through partnership, community leadership and excellent service delivery.

(b) Values

The Council will follow these values:-

- (i) We are honest, open and accountable.
- (ii) We value people's differences and we will treat everybody fairly and with respect.
- (iii) We listen, involve and respond to all our communities.
- (iv) We always look for new and better ways of working to improve quality and value.

The position as set out within the Constitution is supported by the Code of Corporate Governance which is based upon a clear community focus as set out in the Community Strategy and Corporate Plan which sets out the links between community engagement, service planning and delivery, and the maintenance of appropriate standards of conduct.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Position at NEDDC : The Council actively encourages consultation with the local community by way of information / opportunities to comment on the website, through Postal and On line surveys, access to local Councillors and holding all meetings in public session. The Council has a formal Consultation Policy along with an Engagement Plan which includes a structured plan concerning how the Council will ensure effective engagement with residents, customers and businesses regarding our services and functions.

Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.

Position at NEDDC : These are set out within the Council Plan which covers the period 2019 to 2023. This Plan is on the Council's website and is linked to a range of service plans and the Council's Performance Management Framework to help ensure that the agreed strategic direction informs the Council's actions and in particular its service delivery.

Translating the vision into courses of action for the authority, its partnerships and collaborations.

See above.

Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.

Position at NEDDC : The Council conducts an annual review of its Constitution to ensure that it remains fit for purpose and in line with evolving best practice across the local government sector.

Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.

Position at NEDDC : The Council has a robust Performance Management Framework which helps ensure that the Council's Service Plans and delivery are linked into the Council's wider strategic objectives, whilst delivering services that meet our statutory obligations and the expectations of our residents.

Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.

Position at NEDDC: The roles and responsibilities of Members and senior officers are set out in the Constitution, being further supported by the Member and Officer protocols and for officers by job descriptions and contractual terms. The Constitution which reflects best practice incorporates a scheme of delegation, and sets out the roles, powers and limits upon the power of individual officers and Members.

Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) or CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable (2014) as appropriate and, where they do not, explain why and how they deliver the same impact.

Position at NEDDC : The Council is fully compliant with the requirements on the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) with a professionally qualified Chief Financial Officer who is a full member of the Senior Management Team and is supported by appropriately qualified and experienced staff.

Ensuring effective arrangements are in place for the discharge of the monitoring officer function.

Position at NEDDC : The Monitoring Officer is a fully qualified solicitor, is a full member of the Senior Management Team and is supported by appropriately qualified and experienced staff.

Ensuring effective arrangements are in place for the discharge of the head of paid service function.

Position at NEDDC :The Head of Paid Service is an appropriately qualified and experienced officer appointed as a result of a competitive selection process.

Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

Position at NEDDC : There is an induction process for both newly Elected Members and for officer appointments. The Council has a structured Member Development Programme with a Member Development Working Group which meets on a regular basis. The minority Political Group does not participate in the Member Development programme. All officers are subject to a structured appraisal process which identifies training and development requirements, which are necessary to effectively undertake their role are funded by the

Council. Professionally Qualified officers are required / supported to actively participate in the CPD arrangements of their professional body.

Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.

Position at NEDDC : The Council has in place a well established Performance Management Framework which incorporates Performance, Finance and Risk. This results in formal reports on a quarterly basis to Cabinet and to Audit and Governance Scrutiny Committee. These are open reports available on the website. Independent review is provided by Scrutiny and by Internal Audit, with the Annual Governance Statement providing a comprehensive evaluation concerning the Council's compliance with best practice.

Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

Position at NEDDC: The Council has in place an Anti Fraud Bribery and Corruption Policy updated on a regular basis which has a core principle of Zero tolerance of fraud. The Audit Committee receives regular updates concerning fraud including an annual report from the Head of Internal Audit which assesses the arrangements against a checklist provided within the Fighting Fraud and Corruption Locally. Where required the Council will take action against those who breach the Council's approach of zero tolerance including reporting concerns to the Police, the Department of Work and Pensions, or directly through its own employee codes of conduct.

Ensuring an effective scrutiny function is in place.

Position at NEDDC: The function of Scrutiny is well established and operating effectively supported by a senior dedicated specialist independent officer. These arrangements and the effective engagement of other Members and Officers of the Council help ensure that Scrutiny's analysis and recommendation are supported by robust evidence, data and critical analysis. Where appropriate Scrutiny reports are referred to Cabinet for its consideration. All Scrutiny meetings have agendas, reports and minutes on the Council's website.

Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.

Position at NEDDC : The Council is fully compliant with the requirements of the CIPFA Statement. The Internal Audit Consortium Manager is professionally qualified, suitably experienced, reports on a regular basis to the Audit Committee, with unrestricted access to elected members and management. The Chief Financial Officer prepares on an Annual basis an "Annual Review of the Effectiveness of Internal Audit".

Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).

Position at NEDDC : The Audit Committee undertakes a self assessment of its own performance against best practice covering both the areas of work considered by the Committee, together with its powers in the Constitution and the effectiveness of the Committee in securing improved outcomes. The self assessment concluded that the Audit Committee was undertaking the role of an Audit Committee in an effective manner.

Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.

Position at NEDDC : All reports of the External Auditor are given appropriate consideration by the Audit Committee, which requires that recommendations are implemented by Council officers. The reports taken by the External Auditor to the Audit Committee continue to acknowledge the active co-operation of Council staff with the work of External Audit.

Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.

Position at NEDDC : The Council manages its partnerships through the Partnership Team, whilst the Strategic Partnerships with Rykneld Homes, the Derbyshire and Sheffield economic regions, the Strategic Alliance and other Joint Working are handled through a range of governance arrangements in which both Elected Members and Officers play an active role. Reports to Cabinet and Council set out progress in each of the key partnerships and help ensure that managerial arrangements remain robust.

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