



## Code of Corporate Governance

### Document Record

**Release:** Version 3

**Date:**

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**Ownership:** Resources Directorate

### Document History

This code replaces the previous Code of Corporate Governance.

### **Document Location**

A copy of the policy is available on the Fylde Council web site.

The original master copy is stored on the network drive belonging to the Head of Governance.

### **Revision History**

Date of next revision:

Revision Date	Previous version number	Previous revision date	Summary of changes
27/3/16	1	3/4/08 (Adoption of version 1)	Changes to reflect changes to national guidance and to the council's systems of managerial and political governance
XXXX	2	16 June 2016 (adoption of version 2)	Changes to reflect the 2016 edition of CIPFA's "Delivering

			Good Governance in Local Government Framework”
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### **Approvals**

This policy requires the following approvals:

Audit and Standards Committee (obtained XXXXX)

### **Distribution**

This code requires each head of service to review arrangements within his or her own service for securing proper corporate governance and sign an assurance statement. Additionally, the Leader of the Council and Chief Executive are required to sign an Annual Governance Statement, whose content will need to be informed by the assurance statement of each head of service.

## **1. WHAT IS GOVERNANCE AND THE LOCAL CODE?**

- 1.1 For Fylde Council, governance comprises the arrangements put in place to ensure that the Council defines and achieves its intended outcomes for stakeholders. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.
- 1.2 This local code sets out the arrangements that comprise Fylde's system of governance, the principles of good governance that it has adopted and the procedures that are in place to review whether the council is delivering good governance and to improve governance.

## **2. WHAT ARE THE PRINCIPLES OF GOOD GOVERNANCE?**

- 2.1 The principles of good governance are set out in the publication "Delivering Good Governance in Local Government: Framework" (2016), published by CIPFA and SOLACE. This local Code shows how Fylde Council will comply with the CIPFA SOLACE Framework.
- 2.2 The Framework sets out seven core principles of good governance. The core principles are:
  - A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - B Ensuring openness and comprehensive stakeholder involvement
  - C Defining outcomes in terms of sustainable economic, social and environmental benefits
  - D Determining the interventions necessary to optimise the achievement of the intended outcomes
  - E Developing the entity's capacity including the capability of its leadership and the individuals within it
  - F Managing risks and performance through robust internal control and strong public financial management
  - G Implementing good practices in transparency, reporting and audit to deliver effective accountability
- 2.3 Each core principle divides into a number of sub-principles. The following paragraphs set out the behaviours and actions that demonstrate how Fylde Council will comply with each sub-principle:

### 3. WHAT ARE FYLDE COUNCIL'S GOVERNANCE ARRANGEMENTS?

- 3.1 The Council's investment and activities are focused on achieving our corporate priorities, which are:
- Value for money: Spending public money in the most efficient way to achieve excellent services
  - Clean and green: Delivering services that customers expect of an excellent council
  - A vibrant economy
  - A great place to live: Making sure that Fylde continues to be one of the most desirable places to live
  - A great place to visit: Promoting Fylde as a great destination to visit
- 3.2 Fylde's decision-making structures are set out in the council's [constitution](#) and other protocols and procedures:
- 3.3 The following tables identify the structures, protocols and procedures by which Fylde Council demonstrates its compliance with the core and supporting principles of its Code of Corporate Governance, along with examples of the evidence associated with them.

A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Fylde Council by:
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	<ul style="list-style-type: none"> <li>• Code of Conduct for Members</li> <li>• Code of Conduct for Officers</li> <li>• Induction for Officers and Members</li> <li>• Member Development Process</li> <li>• Staff Appraisal Process</li> <li>• Competency Framework</li> </ul>
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> <li>• Communication of shared values to members, staff, residents and partners</li> <li>• Corporate Plan</li> <li>• Audit &amp; Standards Committee</li> <li>• Chairmanship of council meetings</li> </ul>
	Leading by example and using the above standard operating principles or values as a	<ul style="list-style-type: none"> <li>• Declarations of interests in meetings</li> <li>• Conduct at meetings</li> <li>• Audit &amp; Standards Committee</li> <li>• Independent persons</li> </ul>

	framework for decision making and other actions.	<ul style="list-style-type: none"> <li>Monitoring Officer role</li> </ul>
	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that effectively.	<ul style="list-style-type: none"> <li>Council's constitution</li> <li>Anti-fraud Policy</li> <li>Register of staff interests</li> <li>Register of gifts and hospitality</li> <li>Whistleblowing Policy</li> <li>Complaints policies</li> <li>Recorded declaration of interests at meetings</li> <li>Corporate Governance Group</li> </ul>
Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> <li>Audit &amp; Standards Committee</li> <li>Council's Constitution</li> <li>Internal Audit Charter</li> <li>Corporate Governance Group</li> </ul>
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	<ul style="list-style-type: none"> <li>Competency Framework</li> <li>Code of Conduct for Members</li> <li>Code of Conduct for Officers</li> </ul>
	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	<ul style="list-style-type: none"> <li>Procurement rules</li> <li>Contract Procedure Rules</li> <li>HR arrangements and rules</li> </ul>
	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.	<ul style="list-style-type: none"> <li>Partnership Protocol</li> <li>Contract Procedure rules</li> <li>Guide to Buying for the Council</li> </ul>
Respecting the rule of law	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> <li>Constitution</li> <li>Schemes of delegation</li> <li>Monitoring Officer role and protocol</li> <li>Transparency code</li> </ul>
	Creating the conditions to ensure that the statutory officers, other key post holders, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"> <li>Constitution</li> <li>Job description/person specifications</li> <li>Terms of reference for Committees</li> <li>Democratic services</li> <li>Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government</li> <li>Compliance with Public Sector Internal Audit Standards</li> </ul>
	Striving to optimise the use of the full powers available for the benefit of citizens,	<ul style="list-style-type: none"> <li>Reports to Committees include legal implications</li> <li>Open data website</li> </ul>

	communities and other stakeholders.	
	Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> <li>• Monitoring Officer Protocol</li> <li>• Disciplinary policy</li> <li>• Standards framework</li> <li>• Independent persons</li> <li>• Chief Officer Employment Committee</li> </ul>
	Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> <li>• Audit &amp; Standards Committee</li> <li>• Anti-fraud and Corruption policy</li> <li>• Whistleblowing policy</li> <li>• Anti-Bribery policy</li> </ul>
<b>B- Ensuring openness and stakeholder involvement</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	<ul style="list-style-type: none"> <li>• Publication Scheme/Compliance with the Local Government Transparency Code 2015</li> <li>• Opportunity for public speaking provided in Committee Meetings</li> <li>• Published Committee agendas, papers and minutes</li> <li>• Variety of communication channels available; Customer Service Centres, Online Reporting and Forms, Social Media and Customer Call Centres</li> <li>• Pay policy statement</li> <li>• Authority's website</li> <li>• Corporate Plan</li> <li>• Financial Statements</li> <li>• Commitment to freedom of information</li> </ul>
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If this is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	<ul style="list-style-type: none"> <li>• Published Committee agendas, papers and minutes including decisions</li> <li>• Committee report format</li> <li>• Infrequent and exceptional use of exempt information procedures</li> </ul>
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> <li>• Decision making (Constitution Article 11)</li> <li>• Committee report format</li> <li>• Published Committee agendas, papers and minutes including decisions</li> <li>• Published calendar of meetings</li> <li>• Guide to Good Report Writing</li> </ul>

	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/course of action.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Publication of current and past consultations <a href="http://www.fylde.gov.uk/resident/consultation/">www.fylde.gov.uk/resident/consultation/</a></li> <li>• Pre-budget consultation strategy</li> <li>• Consultation on HR Issues/processes</li> </ul>
Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	<ul style="list-style-type: none"> <li>• Partnership Protocol</li> <li>• Consultation Strategy</li> </ul>
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> <li>• Partnership Protocol</li> </ul>
	Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.	<ul style="list-style-type: none"> <li>• Partnership Protocol</li> <li>• Commissioning Plans</li> <li>• Documented partnership arrangements; Service Level Agreements, Memorandums of Understanding, Terms of Reference etc.</li> </ul>
Engaging with individual citizens and service users effectively	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Equality Analysis (e.g. Working Age Council Tax Support Scheme Equality Assessment)</li> <li>• Reputation Management Group</li> </ul>
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	<ul style="list-style-type: none"> <li>• Communication Strategy</li> <li>• Draft Digital Transformation Strategy</li> </ul>
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Rollout of new website</li> <li>• District/Parish Liaison Committee</li> <li>• Residents' survey</li> </ul>
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Published Consultation results</li> </ul>

	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Published Committee agendas, papers and minutes including decision record</li> <li>• Residents' survey</li> </ul>
	Taking account of the impact of decisions on future generations of tax payers and service users.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Sustainability assessment of relevant reports</li> </ul>
<b>C – Defining outcomes in terms of sustainable economic, social and environmental benefits</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Annual Budget</li> </ul>
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service/Team Plans</li> </ul>
	Delivering defined outcomes on a sustainable basis within the resources that will be available.	<ul style="list-style-type: none"> <li>• Quarterly Performance Reporting</li> <li>• Sustainable Procurement Policy</li> <li>• Annual budget</li> </ul>
	Identifying and managing risks to the achievement of outcomes.	<ul style="list-style-type: none"> <li>• Quarterly Performance Reporting</li> <li>• Risk Management Strategy and Policy</li> <li>• Strategic Risk Management Group</li> <li>• Audit reports and action plans</li> <li>• Medium Term Financial Strategy</li> </ul>
	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Communication Strategy</li> <li>• Open data website</li> <li>• External Audit - VFM Conclusion</li> <li>• Complaints procedure</li> </ul>
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decision about service provision.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Capital Programme</li> <li>• Annual Budget</li> <li>• Reports to Committees include environmental impact implications</li> <li>• Risk Assessment Strategy</li> </ul>
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Sustainable Procurement Policy</li> <li>• Risk Management Strategy and Policy</li> <li>• Strategic Risk Management Group</li> </ul>



	political cycle or financial constraints.	
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	<ul style="list-style-type: none"> <li>• Risk Management Strategy and Policy</li> <li>• Strategic Risk Management Group</li> <li>• Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Pre-budget consultation strategy</li> </ul>
	Ensuring fair access to services.	<ul style="list-style-type: none"> <li>• Equality and Diversity Policy</li> </ul>
<b>D – Determining the interventions necessary to optimise the achievement of the intended outcome</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Published Committee agendas, papers and minutes including decisions</li> <li>• Risk Management Strategy and Policy</li> <li>• Committee report format</li> <li>• Guide to Good Report Writing</li> </ul>
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Consultation Strategy</li> <li>• Medium Term Financial Strategy</li> <li>• Pre-budget consultation strategy</li> <li>• Opportunity for public speaking provided in Committee Meetings</li> </ul>
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> <li>• Calendar of Committee Meetings</li> <li>• Project Management</li> <li>• Performance management framework</li> <li>• Medium term financial strategy</li> </ul>
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Project Management</li> <li>• Quarterly meetings with external auditors</li> <li>• District/Parish Liaison Group</li> </ul>
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.	<ul style="list-style-type: none"> <li>• Risk Management Strategy and Policy</li> <li>• Partnership Protocol</li> </ul>
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	<ul style="list-style-type: none"> <li>• Chief Executive as driver of change</li> <li>• Flexible working</li> </ul>

	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	<ul style="list-style-type: none"> <li>Quarterly Performance Reports</li> <li>Corporate performance management systems</li> </ul>
	Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> <li>Management team</li> <li>Internal Audit</li> <li>Corporate performance and Improvement Team</li> </ul>
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> <li>Corporate Plan</li> <li>Medium Term Financial Strategy</li> <li>Capital Programme</li> <li>Annual Budget</li> <li>Quarterly Performance Reports</li> </ul>
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	<ul style="list-style-type: none"> <li>Project Management</li> <li>Corporate Plan</li> <li>Medium Term Financial Strategy</li> <li>Capital Programme</li> <li>Annual Budget</li> <li>Quarterly Performance Reports</li> </ul>
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> <li>Corporate Plan</li> <li>Medium Term Financial Strategy</li> <li>Capital Programme</li> <li>Annual Budget</li> </ul>
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	<ul style="list-style-type: none"> <li>Pre-budget consultation strategy</li> <li>Medium Term Financial Strategy</li> <li>Annual Budget</li> <li>Budget right-sizing</li> </ul>
	Ensuring the medium term financial strategy sets the context for ongoing decision on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> <li>Medium Term Financial Strategy</li> <li>Annual Budget</li> <li>Quarterly Performance Reports</li> </ul>
	Ensuring the achievement of “social value” through service planning and commissioning.	<ul style="list-style-type: none"> <li>Procurement Strategy</li> <li>Sustainable Procurement Strategy</li> <li>Partnership work with registered providers of social housing</li> </ul>
<b>E – Developing the entity’s capacity, including the capacity of its leadership and the individuals within it</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Developing the entity’s capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	<ul style="list-style-type: none"> <li>Quarterly Performance Reports</li> </ul>

	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> <li>• Internal audit reports</li> <li>• External audit reports</li> <li>• Time Lean process</li> <li>• Asset Management Group</li> <li>• Performance management software</li> <li>• Peer reviews</li> </ul>
	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> <li>• Partnership Protocol</li> <li>• Shared services</li> </ul>
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> <li>• Competency Framework</li> <li>• Staff Appraisals</li> </ul>
Developing the capacity of the entity's leadership and other individuals	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Job description/person specification</li> <li>• Protocol on Member/Officer Relations</li> <li>• Members' Code of Conduct</li> <li>• Officers' Code of Conduct</li> <li>• Leadership meetings</li> </ul>
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	<ul style="list-style-type: none"> <li>• Constitution</li> </ul>
	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a clear structure and provide a balance for each other's authority. Members are mainly responsible for the political direction and leadership of the Authority; the determination of strategies, policies and plans; and major decisions (including almost all Key Decisions) to implement those strategies, policies and plans. Officers are responsible for day to day managerial and operational decisions in line with those strategies, policies and plans.	<ul style="list-style-type: none"> <li>• Constitution</li> </ul>
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to	<ul style="list-style-type: none"> <li>• Induction for Members</li> <li>• Staff Induction</li> <li>• Staff Appraisal</li> <li>• Competency Framework</li> <li>• Member development framework</li> </ul>

	<p>respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by:-</p> <ul style="list-style-type: none"> <li>• Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.</li> <li>• Ensuring members and offices have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.</li> <li>• Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.</li> </ul>	<ul style="list-style-type: none"> <li>• Vocational Qualifications policy</li> <li>• i-Pool training</li> </ul>
	Ensuring that there are structures in place to encourage public participation.	<ul style="list-style-type: none"> <li>• Consultation Strategy</li> <li>• Opportunity for public speaking provided in Committee Meetings</li> </ul>
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	<ul style="list-style-type: none"> <li>• Member development framework</li> </ul>
	Holding staff to account through regular performance reviews which take account of training or development needs.	<ul style="list-style-type: none"> <li>• Staff appraisal</li> <li>• Personal development process</li> </ul>
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	<ul style="list-style-type: none"> <li>• Wellness at Work Sessions</li> <li>• Health and Safety regime</li> <li>• Occupational Health</li> <li>• Operational Risk Management</li> <li>• Respecting People at Work Framework</li> </ul>

		<ul style="list-style-type: none"> <li>• Work life Balance through Flexible Working Policy</li> <li>• Job Share Policy</li> </ul>
<b>F – Managing risks and performance through robust internal control and strong public financial management</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"> <li>• Risk management Strategy and Policy</li> <li>• Committee report format</li> </ul>
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	<ul style="list-style-type: none"> <li>• Risk management strategy and policy</li> <li>• Reports to Audit and Standards Committee</li> <li>• Annual Governance Statement</li> </ul>
	Ensuring that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> <li>• Risk management Strategy and Policy</li> <li>• Strategic risk register</li> <li>• Service risk registers</li> </ul>
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<ul style="list-style-type: none"> <li>• Quarterly Performance Reports</li> <li>• Internal Audit reports</li> </ul>
	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	<ul style="list-style-type: none"> <li>• Risk management strategy and policy</li> <li>• Committee report format</li> <li>• Project Management</li> </ul>
	Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	<ul style="list-style-type: none"> <li>• Procedural Standing Orders for Council and Committees</li> <li>• Published Committee agendas, papers and minutes</li> <li>• Member training and development</li> <li>• Opportunity for public speaking provided in Committee Meetings</li> <li>•</li> </ul>
	Providing members and senior management with regular reports on service delivery plans on progress towards outcome achievement.	<ul style="list-style-type: none"> <li>• Quarterly Performance Reports</li> <li>• Calendar of Committee Meetings</li> <li>• Committee report format and clearance procedure</li> </ul>
	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).	<ul style="list-style-type: none"> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> </ul>
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> <li>• Risk management strategy and policy</li> </ul>

	Evaluating and monitoring risk management and internal control on a regular basis.	<ul style="list-style-type: none"> <li>• Risk management strategy and policy</li> <li>• Reports to Audit and Standards Committee</li> </ul>
	Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> <li>• Anti-Fraud and Corruption Strategy</li> <li>• Whistleblowing Policy</li> <li>• Anti-Bribery Policy</li> <li>• Anti-Money Laundering Policy</li> <li>• Reports to Audit and Standards Committee</li> </ul>
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> <li>• Maintaining and resourcing an effective internal audit function</li> <li>• Reports to Audit and Standards Committee</li> </ul>
	<p>Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> <li>• Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>• That its recommendations are listened to and acted upon.</li> </ul>	<ul style="list-style-type: none"> <li>• Terms of reference of Audit and Standards Committee</li> <li>• Annual effectiveness review of Audit and Standards Committee</li> </ul>
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	<ul style="list-style-type: none"> <li>• Information Governance Assurance policy</li> <li>• Data Retention policy</li> <li>• Data Assurance policy</li> <li>• Information Asset Register</li> </ul>
	Ensuring effective arrangements are in place and operating effectively, when sharing data with other bodies.	<ul style="list-style-type: none"> <li>• Data sharing protocol</li> </ul>
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	<ul style="list-style-type: none"> <li>• Data Assurance Policy</li> <li>• Annual Audit plan</li> </ul>
Strong public financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Budget monitoring arrangements</li> <li>• Quarterly Performance Reports</li> </ul>

	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Budget monitoring arrangements</li> <li>• Quarterly Performance Reports –</li> </ul>
<b>G – Implementing good practices in transparency, reporting and audit to deliver effective accountability</b>		
<b>Supporting principles</b>	<b>Behaviours and actions that demonstrate good governance</b>	<b>Evidenced in practice at Fylde Council by:</b>
Implementing good practice in transparency.	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> <li>• Committee report format</li> <li>• Published Committee agendas, papers and minutes including decisions</li> <li>• Open data website</li> </ul>
	Striking a balance between providing the right amounts of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	<ul style="list-style-type: none"> <li>• Compliance with the Local Government Transparency Code 2015</li> <li>• Open data website</li> <li>• Committee report format</li> </ul>
Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.	<ul style="list-style-type: none"> <li>• Annual financial statements</li> <li>• Annual Governance Statement</li> <li>• External Audit reports</li> <li>• Quarterly performance reports</li> </ul>
	Ensuring members and senior management own the results reported.	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> <li>• Reports to Audit and Standards</li> <li>• Committee</li> <li>• Published Committee agendas, papers and minutes including decisions</li> </ul>
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the	<ul style="list-style-type: none"> <li>• Publication of financial statements in line with best practice guidance</li> </ul>

	statements allow for comparison with other, similar organisations.	
Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none"> <li>• External Audit reports</li> <li>• Reports to Audit and Standards Committee</li> </ul>
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.	<ul style="list-style-type: none"> <li>• Internal Audit annual report</li> <li>• Reports to Audit and Standards Committee</li> <li>• Self/external assessment of the Internal Audit function against the best practice guidance; “Public Sector Internal Audit Standards”</li> <li>• Internal Audit Charter</li> </ul>
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	<ul style="list-style-type: none"> <li>• Assurance gathering process for the Annual Governance Statement</li> <li>• Reports to the Audit and Governance Committee</li> </ul>
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	<ul style="list-style-type: none"> <li>• Partnership Protocol</li> </ul>

#### 4. HOW DOES FYLDE COUNCIL REVIEW ITS GOVERNANCE?

- 4.1 As required by the CIPFA SOLACE Framework, the Council prepares an annual governance statement in order to report publicly on the extent to which it complies with its own code of governance, consistent with the principles set out in the Framework.
- 4.2 The Corporate Governance Group has responsibility for overseeing a detailed self-assessment of compliance with the above core principles and sub-principles, which informs the annual governance statement. Much of the required evidence is taken from the following key systems and processes:
- Strategic and business planning;
  - Communication;
  - Performance management;
  - Risk management;
  - Value for money;



- Probity;
- Financial strategy;
- Financial standing;
- Financial management;
- Asset management.

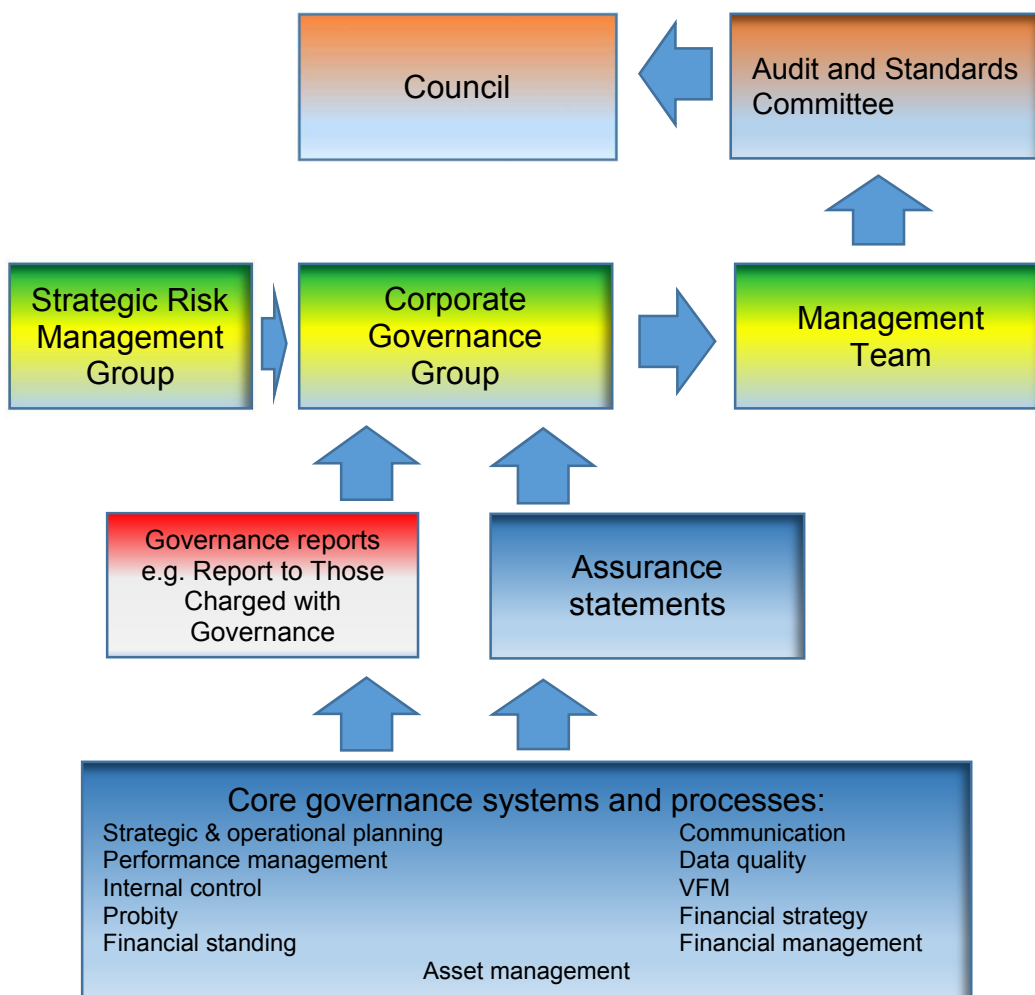
4.3 The key officers involved of the group are:

- Director of Resources (Monitoring Officer)
- Chief Financial Officer (Section 151 Officer)
- Head of Governance
- Chief Internal Auditor

4.4 The Director of Resources has corporate responsibility for governance including oversight of compliance with the CIPFA SOLACE Framework and the process leading to the publication of the Annual Governance Statement.

4.5 Any significant non-compliance issues identified in the self-assessment process are disclosed within the Annual Governance Statement and fed into the service planning process. This means that they are subjected to systematic monitoring which in turn ensures their resolution.

- 4.6 The Annual Governance Statement is also reported to the Management Team and is submitted to Audit and Standards Committee for approval. In addition, the Audit and Standards Committee has responsibility for oversight and scrutiny of governance matters written into its terms of reference. The overall reporting system for corporate governance is shown below. This also indicates that the Corporate Governance Group acts as a conduit for any governance issues identified through external audit and inspection reports.



## 5. ANNUAL GOVERNANCE STATEMENT

- 5.1 The Council Annual Governance Statement includes the following information:
- an acknowledgement of responsibility internal financial control
  - an indication of the level of assurance that a system of internal financial control can provide
  - a brief description of the main features of the system of internal financial control including controls relating to group activities where the activities are significant

- d. a brief description of the role of internal audit and the management and reporting arrangements for internal audit
  - e. Details of any other reviews informing the assessment of the effectiveness and operation of internal financial control undertaken during the year
  - f. A concise explanation of any identified significant weaknesses in the system of internal financial control, together with the actions undertaken or planned to address these
  - g. A specific statement on whether the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government; Framework; and, where they do not, an explanation of how they deliver the same impact.
- 5.2 The annual governance statement covers all significant corporate systems, processes and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure:
  - the authority's policies are implemented in practice
  - high-quality services are delivered efficiently and effectively
  - the authority's values and ethical standards are met
  - laws and regulations are complied with
  - required processes are adhered to
  - performance statements and other published information are accurate and reliable
  - human, financial and other resources are managed efficiently and effectively
- 5.3 It therefore covers performance issues – good governance promotes good service but poor service performance reflects a failure of governance. Consequently, approval and ownership of the governance statement should be at a corporate level and should be confirmed by the most senior officer (chief executive or equivalent) and the most senior member (leader or equivalent) signing the statement on behalf of the authority.
- 5.4 The Leader and Chief Executive therefore sign the Annual Governance Statement on behalf of Fylde Council.
- 5.5 The Annual Governance Statement will be approved by the Audit and Standards Committee by the end of June each year and published with the financial statements so that the publication timetable for the financial statements drives the governance statement approval timetable.

## **6. ASSURANCE STATEMENTS**

- 6.1 As Section 5 above indicates, those signing the Annual Governance Statement will seek assurances that the views of the statutory officers have been taken into account, and they have in turn sought the views of auditors (internal & external) and other inspectorates as to the adequacy and effectiveness of the Council's system of governance.
- 6.2 However in reviewing and approving the Annual Governance Statement, members will also require assurances on the effectiveness of the governance framework from managers across the Council, as it is they who are charged with embedding corporate governance systems within their service areas.
- 6.3 The Council has therefore adopted a system of Assurance Statements (Appendix 1) which are compiled on an annual basis and approved by directors to coincide with the production of the Annual Governance Statement. These require service managers to review the operation of a wide range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues.
- 6.4 The Corporate Governance Group is then charged with analysing the completed Assurance Statements to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues. Any significant non-compliance issues emerging from the Directorate Statements will be included in the Annual Governance Statement.

## APPENDIX 1

### GOVERNANCE ASSURANCE STATEMENT

Fylde Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this responsibility, members and senior officers are responsible for establishing a sound system of governance.

As a service manager, I have responsibility to enforce the system of governance within my service area to ensure that it supports the achievement of the service's and therefore the Council's objectives.

When discharging my responsibility for reviewing the effectiveness of the system of governance operating within the service area, I have taken into account the following:

- The adequacy and effectiveness of management review processes;
- Outcomes from risk assessments;
- Relevant self-assessments of key service areas within the directorate;
- Relevant internal audit reports
- Outcomes from reviews by other bodies including external and statutory inspectorates and the external auditors.

I am satisfied that the attached pro-forma accurately describes the operation within my directorate of the various elements of the system of governance as set out during the financial year to 31 March 201x. I am satisfied that the system of governance as so described was overall operating effectively within my service area during that time and continues to do so.

Where the pro-forma indicates that an appropriate element of governance is not present or is not fully embedded, I propose to address those matters with a view to making them fully effective.

Signed:

Date:

Service manager for:

Element of governance			
1. Strategic planning			
1.1	A service plan for 201x/1x was prepared and managed according to corporate guidance		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
1.2	The Council's project management guidance has been applied to all the service area's key projects, including capital developments		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
1.3	All partnering arrangements have been managed in accordance with the council's arrangements for partnership working		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
2. Communication			
2.1	The service area has established feedback mechanisms to ensure that the views of service users, partners and stakeholders are taken into account		

Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
2.2	The corporate team briefing process is operating effectively within the service area		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
2.3	Arrangements are in place to ensure that all employees are responsive to complaints received and comply with the Council's complaints procedures		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
<b>3. Performance and people management</b>			
3.1	The service has monitored progress against its service plan on a quarterly basis		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			

3.2	The corporate staff appraisal system has operated effectively during the year		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
3.3	Staff personal development plans are up-to-date		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
3.4	Corporate absence management procedures are adhered to		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
3.5	The service has complied with corporate policies for staff recruitment		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			



3.6	All employees comply with the Flexible Working Hours Policy (Flexitime scheme) where applicable		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
3.7	All employees have been made aware of their general responsibilities under equalities legislation		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
3.8	All employees have clearly defined job descriptions		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
4. Data quality			
4.1	The service has effective procedures for the calculation and collection of any service performance indicators		
Fully embedded	Partially operative	Not operative	Not applicable

Further information:			
5. Internal control			
5.1	Key controls over systems and procedural arrangements are in place to ensure that the council is safeguarded from error or irregularity.		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
5.2	All employees are aware of documented procedures and guidance notes where they exist to support the provision of the service.		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
5.3	Agreed recommendations by relevant inspectorates, auditors and other review agencies have been implemented within the agreed timescales		
Fully embedded	Partially operative	Not operative	Not applicable

Further information:			
6. Risk management			
6.1	An annual Directorate Operational Risk Register is compiled which complies with the requirements of the Council's Risk Management Strategy.		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
6.2	Joint risk registers have been compiled for key partnerships		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
6.3	There are up-to-date business continuity plans in place for the service, where appropriate		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
6.4	Corporate health & safety policies and procedures are being complied with		

Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
7. Value for money			
7.1	The service achieves value for money in its use of resources		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
7.2	All procurement has complied with the councils contract procedure rules and any procurement policy		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
8. Probity			
8.1	All employees have access to the Council's Constitution which sets out the basic rules governing the conduct of business and the expected behaviour of individuals.		
Fully embedded	Partially operative	Not operative	Not applicable

Further information:			
8.2	All employees are made aware of their obligations under the Officers' Code of Conduct, and are believed to be in compliance.		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
8.3	All employees are aware of the Council's zero tolerance to fraud approach and comply with the Anti-Fraud and corruption policy.		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
8.4	All suspected cases of fraud or financial impropriety are reported promptly to Internal Audit		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			

8.5	All employees are aware of and have access to the Council's Whistleblowing policy		
Fully embedded	Partially operative	Fully embedded	Partially operative
Further information:			
9. Financial management			
9.1	The service regularly monitors its budget		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
9.2	Purchase orders have been raised for all items of expenditure where appropriate		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
9.3	All income is collected and expenditure is processed in accordance with corporate systems and control arrangements		
Fully embedded	Partially operative	Not operative	Not applicable

Further information:

#### 10. Asset Management

10.1	Asset registers or inventories have been compiled and maintained in accordance with corporate procedures
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Fully embedded	Partially operative	Not operative	Not applicable
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Further information:

#### 11. Information management

11.1	Computer systems and data are kept secure
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Fully embedded	Partially operative	Not operative	Not applicable
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Further information:

11.2	All employees are made aware of their obligations under the council's Computer Use Policy, and are believed to be in compliance
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Fully embedded	Partially operative	Not operative	Not applicable
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Further information:

11.3	All employees have been made aware of their general responsibilities under the data protection and freedom of information legislation, and are believed to be in compliance		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
11.4	The service complies with the council's Information Asset Governance Policy		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			
11.5	An Information Asset Owner and Information Asset Administrator has been identified for each information asset for which the service is responsible		
Fully embedded	Partially operative	Not operative	Not applicable
Further information:			



## Notes to the governance assurance statement

The Council is required to publish an Annual Governance Statement alongside its financial statements which must be signed by the Leader and, Chief Executive on behalf of the council. This Statement must include any significant areas of weakness and action plans to address such weaknesses.

The requirements of the Council with regard to governance are set out in guidance published by CIPFA and SOLACE and the Corporate Governance Group are charged with conducting a detailed self-assessment of the extent to which the Council complies with this guidance.

In addition to the corporate self-assessment, assurance is also sought from service managers, as it is they who are responsible for implementing the respective governance systems and procedures within their service areas.

The Council has therefore introduced assurance statements, which need to be compiled on an annual basis to coincide with the production of the Annual Governance Statement. These require service managers to review the operation of a range of governance elements within their service areas and indicate whether there are any significant non-compliance issues.

The Corporate Governance Group will analyse the completed assurance statements to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues. Any significant non-compliance issues emerging from the assurance statements will be included in the Annual Governance Statement itself.

### Elements of governance

The assurance statement sets out eleven strands of governance, each of which is sub-divided into separate elements. Each element relates to a specific governance related procedure or measure which should normally be in place within service areas. These are requirements laid down in a range of corporate policies and also form the basis of the annual review of governance by the Audit Commission.

### How to use complete the assurance statements

Please complete the relevant part of the form for **every** element of governance by ticking the box below it. What goes in the “Further Information” box depends on what you have ticked.

If you have ticked against:

Fully embedded	Use the box to provide information in support of your claim to have embedded the element in your directorate. This may include a reference to further documentation provided by you with the form, or readily available to those who may validate the form.
Partially operative	Use the box to provide information in support of your claim that the element is partially operating in your directorate (see above), and to set out the steps you will

	take to try to fully embed the element within the next year. These steps should feed into your service plan.
Not operative	Use the box to set out the steps you will take to try to introduce and embed the element within your directorate during the next year. These steps should feed into your service plan
Not applicable	Use the box to say why you believe this element is not applicable within your directorate.