
Report to: Council

Date of Meeting: 8th February 2018

Subject: Local Code of Governance

Report by: Head of Resources and Governance

1.0 Purpose

- 1.1. To seek Council's approval of a revised Local Code of Governance and Internal Control Checklist

2.0 Recommendations

- 2.1. To agree to adopt the revised Local Code of Governance.
- 2.2. To agree to the revised Internal Control Checklist and adopt it for the 2017-18 Annual Governance Statement process

3.0 Considerations

- 3.1. The Council's key strategic documents in regard to governance was the Corporate Governance Strategy which covered the period 2011-14. Its accompanying Local Code is still in use as the underpinning approach to governance in the Council.
- 3.2. During 2016 the Chartered Institute of Public Finance and Accountancy (CIPFA) published two revisions of existing documents: "Delivering Good Governance in Local Government" and "Delivering Good Governance in Local Government: Guidance Notes for Scottish Authorities". These documents are designed to assist officers and elected members to review approaches to governance and to acknowledge a changing context since the first editions of the CIPFA guides were published in 2007. In particular, austerity and a greater emphasis on partnership working are now emphasized. The revision to the Council's Local Code was awaiting these documents' publication and review work has been ongoing during 2017.
- 3.3. The Scottish Country Guide informs the Council's revision to its Local Code of Governance. The Local Code provides the framework for the Council to assess its performance in maintaining and improving good governance which is reported on in the Annual Report and Accounts as the Annual Governance Statement (AGS). The Council's process for this historically has involved an

assessment from Heads of Services and their senior teams using a governance questionnaire that was then presented to a governance panel.

- 3.4. Over the past 3 years there have been changes to the composition of the governance panel and for the 2016-17 Annual Accounts the panel comprised the Chief Executive and Head of Resources and Governance. During the panel discussions it was agreed that a more focussed questionnaire was needed that: emphasized the responsibility of the Head of Service in ensuing compliance with governance procedures and processes; was clearer in regard to the expectations on Heads of Service; gave broader scope to highlight where further support maybe needed; and, flagged issues of potential non-compliance which should be managed thorough the risk management process.
- 3.5. The Local Code of Governance and Statement of Internal Control have therefore been revised in line with the following principles:
 - simplification
 - alignment with the CIPFA code and not reinvent models of governance
 - provide clear criteria against which the Council can report progress and monitor how well the Council is doing
 - ensure that Heads of Service are fully accountable for governance within their services via a revised statement of assurance process based on the Scottish Public Finance Manual
- 3.6. A process for implementation and awareness raising will be developed by the Head of R&G in consultation with the other Heads of Service.
- 3.7. Rather than maintaining a separate strategy document, it is intended that the Council's overall approach to governance should be described in its corporate plan or other wider strategy documents which can then make reference to the Local Code as the definition of the Council's approach. This will reduce the administrative requirements in the corporate centre as well as simplifying the landscape for staff, elected members and other stakeholders in regard to their understanding of what the Council's key governance documents are. There is no requirement for the Council to maintain a "Governance Strategy" contained in the CIPFA documents.
- 3.8. This approach will also allow for a leaner process whereby the Council can review the Local Code and statement of Internal Control on an annual basis, or as required, as part of the Annual Governance Review to ensure that it remains fit for purpose and that the approach is reasonable.
- 3.9. Internal Audit and External Audit have been consulted and have signalled their satisfaction in regard to the overall approach. Any recommended changes to detail from either set of auditors in the light of their scrutiny work can be incorporated via the process identified in paragraph 3.6.

4.0 Sustainability Implications

- 4.1. None

5.0 Resource Implications

5.1. Financial Details

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

5.3. Finance has been consulted and has agreed the financial implications as set out in the report. Yes

5.4. Staffing

6.0 Exempt Reports

6.1. Is this report exempt? No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No (Not applicable)

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A – Local Code of Governance

Appendix B – Internal Control Checklist

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below)

Delivering Good Governance in Local Government

Delivering Good Governance in Local Government: Guidance Notes for Scottish Authorities

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources and Governance	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources and Governance	Signed: S Coulter
Nikki Bridle	Deputy Chief Executive	Signed: N Bridle



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

CLACKMANNANSHIRE COUNCIL LOCAL CODE OF GOVERNANCE

Introduction

This local code of governance follows the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance published in “Delivering Good Governance in Local Government -2016 edition” and the guidance notes for Scottish Authorities which defines the principles that underpin good governance in Local Authorities.

The Council has adopted the definition of governance provided by the International Framework developed by CIPFA along with the International Federation of Accountants as follows:

Governance comprises the achievements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

and that...

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.

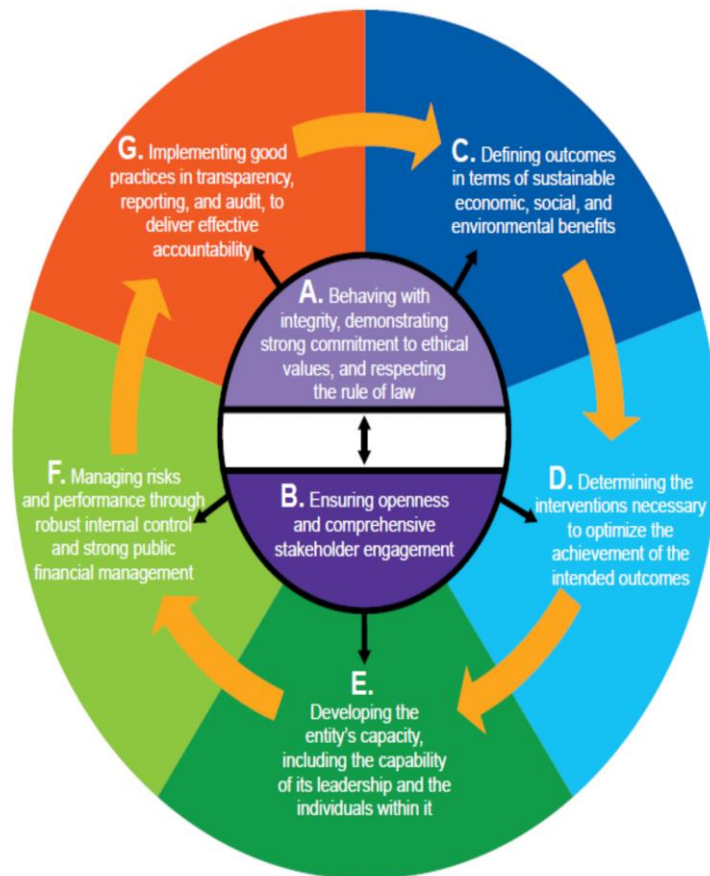
Acting in the public interest implies primary consideration of the benefits for society which should result in positive outcomes for service users and other stakeholders.

Through this local code, Clackmannanshire Council confirms its commitment to the principles of good governance defined above and to managing the inter-relationship of the key principles illustrated in Figure 1.

The commitments and statements made in this local code underpin the Council's Annual Governance Statement and aim to provide the standards against which the Council evaluates its own governance performance and creates improvement action plans to deliver good governance. This Code will also be reviewed annually and updated as required to ensure its relevance and reflection of good practice.

Figure 1 The International Framework for Good Governance

“Achieving the intended outcomes while acting in the public interest at all times”



The Council's local code comprises the 7 components of the international framework tailored to local circumstances to be relevant to elected members, officers of the Council and members of the public. These components are:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimize the achievement of intended outcomes
- Developing the Council's capacity including that of its leadership and staff
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

This local code explains how the Council is managing, or is aiming to manage, its governance framework to align with each of these component parts and the actions required to continuously improve its governance.

LOCAL CODE OF GOVERNANCE

1. Behaving with integrity, demonstrating strong commitment, to ethical values, and respecting the rule of law

Behaving with Integrity

The Council's leadership, culture and values are the foundation of its governance arrangements. They influence relationships with stakeholders, shape the vision of the organisation and determine the outcomes for service users. The Council has published a set of values and will review them periodically.

Elected Members and Senior Managers have a duty to be role models for good governance behaviours and demonstrate through their actions a personal commitment to achieving the Council's strategic objectives and implementing its vision.

The behaviour of elected members is regulated by the Standards Commission for Scotland's Councillor's Code of Conduct 2010 and the guidance on the code published in 2016. Training is provided to elected members to ensure they have a clear understanding of their accountabilities.

Demonstrating Strong Commitment to Ethical Values

The conduct of staff and elected members is underpinned by the Ethical Standards in Public Life (Scotland) Act 2000 which apply to anyone who works as a public office-holder, including staff in Clackmannanshire Council. Specific guidance for elected members is contained in the Councillor's Code of Conduct and accompanying guidance published by the Standards Commission for Scotland. The principles upon which the code of conduct are founded are:

1. *Duty*
2. *Selflessness*
3. *Integrity*
4. *Objectivity*
5. *Accountability & Stewardship*
6. *Openness*
7. *Honesty*
8. *Leadership*
9. *Respect*

Respecting the Rule of Law

The Council publishes 4 key governance documents:

1. Standing Orders
2. Scheme of Delegation
3. Financial Regulations
4. Contract Standing Orders

In addition to these 4 documents there are a number of policies and procedures which regulate conduct and behaviours. These policies include an employee handbook.

The documents set the framework for the conduct of the business of the council highlighting how decisions are made, what powers the Council reserves to itself and its committees and what it delegates to officers to act on its behalf. This includes how decisions are scrutinised and the role of Internal Audit in highlighting conformance with policy and legislation in the delivery of Council services.

These documents identify key and statutory post holders to comply with the Council's statutory and regulatory obligations. Specific job descriptions, role profiles and personal objectives regulate the delegated authority and expectations of staff members to discharge specific responsibilities.

The Council also operates a whistle blowing policy and a complaints handling system that complies with the model procedures of the Scottish Public Service Ombudsman. Taken together these policies help ensure that breaches of procedures or regulations can be reported, investigated and dealt with.

2. Ensuring openness and comprehensive stakeholder engagement

Openness

The Council runs its services for the public good and therefore recognises the importance of open communication and consultation in understanding the views of individuals and organisations about service development and delivery.

The Council publishes minutes and agendas for all Council and Committee meetings as well as all its key strategies and policies. The Council has officers in place to ensure it complies with its duties under FOI(S)A, the Data Protection Act, the Public Records (Scotland) Act and other relevant legislation

The Council is committed to continuing to develop its publication schemes to ensure that as much information as possible is readily available to the public in formats that are accessible and understandable.

Engaging Comprehensively With Institutional Stakeholders

The Council actively engages with a range of stakeholders from statutory bodies such as the Police, NHS and Fire Service, other local authorities

through joint partnership boards and shared services, third sector organisations and private sector contractors.

Governance arrangements vary based on the nature of the relationship but the Council is committed to clear rules of engagement, working in partnership and collaborating to ensure that mutual interests are recognised and outcomes for service users are clearly defined and achieved.

Engaging with individual citizens and service users effectively

The Council is clear on issues it will consult on and will use a variety of methods to do this. This includes specific consultations with service users, online and paper based surveys, town and village hall meetings, drop in consultations and regular engagement with local representative bodies such as Community and Parent councils.

Where formal consultation takes place the results are published in a timely fashion and the follow up actions or changes in policy direction taken in response to it will be clearly indicated. The role of Officers and elected members in consultations are clearly agreed before any exercise takes place.

Results will be analysed and appropriate methods will be used to highlight the views of particular interest groups to ensure that no one voice has prominence over any other.

3. Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining Outcomes

The Council recognises the long term impact of its decisions and the need for an outcomes focus in its planning cycles. The Council adopts a medium term corporate plan and develops an annual budget and service based business plans which reflect the desired outcomes from the Council's activities as well as addressing the short term priorities. The planning cycle enables the Council to react flexibly to immediate financial or other pressures as well as to accommodate national policy changes over which it may exercise limited or no control.

The development and definition of these outcomes is subject to consultation and partnership working at individual, community and institutional levels.

Sustainable economic, social and environmental benefits

The Council's approval of particular business cases or policy initiatives follows a rigorous internal process whereby Officers are required to identify the implications for environmental sustainability, economic viability, legality and community impact by referring to subject matter experts for advice and approval or through the use of tools such as equality impact assessment. More formal approaches to assessing environmental impact and privacy impact are being developed.

4. Determining the interventions necessary to optimize the achievement of intended outcomes

The Council achieves its outcomes by making a number of legal, regulatory and practical interventions. The mix of these interventions and tracking their progress is crucial to achieving these outcomes.

Determining Interventions

The Council has a robust, standardised approach to developing business cases and uses a programme management approach to implement strategic change. The Council's programme management approach is designed to provide an overview of outcomes delivery whilst the individual business cases consider alternative options, investment appraisal and an optimum methodology for delivery. Where consultation is required the approach to consultation is part of the business case and options appraisal.

Planning Interventions

The Council's budget setting process and business planning activity ensures that services are undertaking activities that build towards the achievement of strategic goals and the delivery of long term outcomes. Progress with interventions is monitored through performance measures, project plans and proportionately scaled risk registers. The Council has a number of approaches to the identification of performance measures. Some of these are identified as part of national benchmarking initiatives and some are generated internally.

The Council maintains a centralised view of performance management using a system that captures performance metrics, action plans and risks and supports managers in planning and monitoring interventions as cost-effectively and time-efficiently as possible. The system provides both narrative and diagrammatic reports to illustrate achievements and areas of risk.

Optimising Achievement of Intended Outcomes

Business plans are reviewed at relevant Council committees and updates provided on their achievement periodically. The budget is agreed annually and updates provided on achievement of budget targets and outturns. A longer term view of the Council's budget position in terms of both capital and revenue is maintained based on current intelligence in regard to funding flows and spending profiles. However, the current UK financial situation does make long term planning problematic so scenario based approaches are adopted.

5. Developing the Council's capacity including that of its leadership and staff

Developing the Entity's Capacity

The Council has developed an approach to workforce planning and each service has a plan in place. An overall plan for the Council is being developed and adapted to match the Council's operational and financial challenges. The

Council takes part in a number of partnership arrangements such as the Health and Social Care Integrated Joint Board and the local community planning partnership and is constantly seeking further opportunities to work with community and other statutory partners to add value and wherever possible reduce costs. The Council participates in national benchmarking studies in a number of areas to understand how well it is performing relative to other Councils and public bodies.

Developing the Capability of the Entity's Leadership and Other Individuals

Key governance documents are developed to clarify the role and relationship between senior managers and elected members. In particular the Scheme of Delegation sets out the decisions reserved for Council and its Committees and those delegated to the Chief Executive and statutory office bearers. The relationship between the Chief Executive and Council Leader is also described. Learning from governance weaknesses and strengths is proactively managed. Lessons learned reports form part of the Council's project management arrangements and post implementation reviews of capital projects are prepared which highlight any governance issues. The Internal Audit programme highlights areas of weakness that are discussed at relevant committees.

The Council is revising its approach to induction for all staff but a tailored programme for senior managers and elected members highlighting governance roles, separation of roles and accountabilities is being developed. Specific training on ethics in line with the Standards Commission for Scotland Guidance on the Councillor's Code of Conduct will also be progressed.

Senior managers work with their line managers to identify specific training needs and generalised management training is staged when the budget allows. Peer coaching is encouraged. The Council has an e-learning portal, Clacks Academy, which it is continuously developing to exploit the opportunity that the technology provides to allow for learning at a staff member's own pace and at convenient times. This includes elements of mandatory training on key topics such as health and safety and data protection.

Approaches to feedback for council leadership are being explored with an emphasis on 360 degree feedback tools and wider staff consultation via surveys both on general themes and specific topics.

The Council operates an annual Performance Review and Development process which is supported by one to one meetings to allow staff to discuss both progress towards their objectives and development needs with their managers. The Council's HR IT system is also being continuously developed to capture all necessary HR data electronically.

Staff are encouraged to manage their own health and well being with specific initiatives on healthy living and stress management actively progressed

6. Managing risks and performance through robust internal control and strong public financial management

Managing Risk

The Council maintains a risk management strategy and guidance and holds risk registers at appropriate organisational layers and for projects. Risks are reviewed on an ongoing basis as well as an annual report being provided to the relevant Committee. Risk registers are held on the Council's performance management system and reviewed during preparation of the Annual Governance Statement.

Managing Performance

Scrutiny of service delivery is managed through the Council's committee structure and regular reports on performance and progress towards outcomes are provided. Key decisions that are either delegated to senior management or reserved to Council are presented through a standardised format highlighting the decisions that are required to be made. Senior management ensure that the range of options is presented to elected members in straightforward jargon free language or complex terms are explained.

The Council's approach to post implementation review (PIR) is developing. It is a requirement that capital projects are subject to PIR but the process for doing so and the threshold at which independent PIRs are undertaken needs further development particularly in regard to benefits realisation and financial reporting.

Robust Internal Control

The Council maintains an internal audit capacity and develops an annual plan with capacity provided for ad hoc work and investigation. Assurance on the adequacy of the system of internal control is sought and elected members have direct access to internal auditors.

Approaches to counter-fraud and anti-corruption are in place and an element of this work is undertaken by the Department for Work and Pensions. Compliance with Internal Audit's recommendations is actively monitored through the Council's performance management system.

The responsibility of the Council's committees to provide scrutiny and assurance to the wider Council is described in the Scheme of Delegation.

Managing Data

The Council's Records Management Plan was reviewed by the Keeper of the Records of Scotland in line with the Public Records (Scotland) Act in 2016. A project to improve records management is ongoing and information sharing protocols and arrangements are in place with organisations with which the Council shares data. The Internal Audit Plan covers areas such as data quality.

Strong Public Financial Management

One of the Council's key governance documents is its Financial Regulations which set out the rules and procedures for managing budgets and assuring appropriate stewardship of funds. A new finance system was introduced during

2106-17 which will ensure that financial transactions can only be authorised by specific budget holders and their delegates and provides for real time reporting and greater control of budgeting. This significantly reduces the risk of unforeseen over or underspends and provide for better scrutiny of spending decisions.

Frequent Budget update reports and financial investment strategy reports are provided to the Council or relevant committees.

7. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Implementing Good Practice in Transparency

Reports for Council or for public consumption are agreed by senior management in the Council and care is taken to ensure that information is proportionate and any jargon explained. Feedback from elected members as to the quality and sufficiency of reports is actively encouraged and officers receive questions on their reports on their presentation to Council or Committees.

Implementing Good Practices in Reporting

Governance arrangements will be reviewed annually to ensure that they provide robust assurance and the extent to which the principles in the Good Governance Framework have been applied.

As part of that review Heads of Service are required to provide assurances as to the effectiveness of the governance arrangements in place and operating within their service areas to the Chief Executive and Council Leader. This process will involve the completion of a comprehensive statement designed to identify areas of weakness or non-compliance and either the production of evidence to support assurances or the identification of action plans to promote improvement.

Assurance and Effective Accountability

The Council uses a Best Value self-assessment tool.

External audit recommendations are captured and actively managed alongside Internal Audit recommendations. A number of external scrutiny bodies provide further assurance to the Council's operations such as, but not limited to, the Care Quality Commission, Education Scotland and the Social Work Inspectorate. There is also in place the joint inspection bodies Local Area Network that undertakes shared risk assessment. Specific assurance reports may be commissioned either by management or through the committee structure when considered necessary. Certain council functions are also subject to peer reviews and regular benchmarking.

Review

This local code will be reviewed, and updated as required, every year as part of the Annual Governance process

The contents of the internal control checklist are as follows:

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ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
Risk Management		
1.1 Do you have in place processes that seek to identify and record key business risks (linked to business objectives and targets) on an on-going basis?		<p>This relates to the use of a structured process to manage business risk in line with the Risk Management Policy. This ensures the right people are involved in the process, and that the process is being actively recorded and managed on Covalent. You should confirm that you revisit the issues periodically to ensure that the assessments reflect current risks.</p> <p>(Guidance on the Clacks Approach to Risk Management is available on Connect.)</p>
1.2 Is there a systematic approach to identify and prioritise risks and match them with effective resources?		
1.3 Is risk management actively supported and promoted by Service Managers and team leaders?		
1.4 Do you receive reports on the management of key risks and control		

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
actions taken?		
1.5 Has appropriate consideration been given to business continuity and disaster recovery for key systems (including ICT) upon which your operations depend?		<p>Local response to the possible loss of corporate functions (e.g. iTrent, Tech One, and accommodation) might be considered in the context of Service risk management procedures. Where Service systems are in operation, including but not exclusively ICT systems, the Service has a responsibility to ensure that consideration has been given to continuity and recovery e.g. back-up.</p> <p>Guidance on Business Continuity is available on Connect</p>
Business Planning		
2.1 Does your area have clear business objectives and outcomes which clearly contribute to the achievement of Council objectives and outcomes, including your Service plan, and have they been translated into measurable targets against which performance and progress are measured?		<p>Your business objectives / SMART targets should be reflected in the Service Plan and performance appraisal forms at all levels.</p> <p>Plans should be linked to the Corporate Strategy through the Business Planning process.</p>
2.2 Have new and/or radically changed work programmes been		New initiatives or spend, or changed systems should normally be

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
referred to Finance, Procurement and/or Internal Audit for advice?		discussed with Finance, Procurement and Internal Audit colleagues before proposals are finalised.
2.3 In developing targets, does the Service identify performance measures which take account of inputs, outputs and outcomes?		Is the relationship between inputs, outputs and outcomes is being applied in developing performance measures. (Guidance on Performance Management is available on Connect or from S&CS)
2.4 Do you regularly receive timely, relevant and reliable reports on progress against targets and take corrective action where necessary?		This could take the form of regular reports prepared on Covalent for Committees or updates provided in the context of regular meetings with managers. Corrective action might involve the reallocation of resources (budgets and staff) and the reordering of priorities.
Project Management		
3.1 Has your Service been responsible for delivering one or more projects during the past financial year?		Projects covered include both capital and non-capital projects such as policy delivery projects, business change projects or investment projects
3.2 Did / does your project's		Arrangements must be put in place

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
governance and process align with recognised project management procedures?		to ensure projects are managed within a recognised project management methodology, scaled appropriately. This maybe for example PRINCE2, or Agile. For ICT enabled projects, the project must comply with the relevant ICT Strategies
3.3 Have you put all necessary arrangements in place to assess the realisation of benefits and capture lessons from the delivery of your project(s)?		<p>Necessary arrangements include:</p> <ul style="list-style-type: none"> • Capturing lessons learned to share using- Lessons Learned Templates • Conducting on-going evaluation of your project throughout its life-cycle, including a Post Implementation Review (or Post Occupancy Evaluation for construction and infrastructure projects)/ • Planning and undertaking a Post Project Evaluation for construction and/or infrastructure projects. • Planning and undertaking a Post Occupancy Evaluation for projects that deliver a

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
		<p>building (e.g. an office or school).</p> <p>Conducting an End of Project Evaluation Review, including the review and handover of benefits identified in the business case to an accountable owner.</p>
Communications and Engagement		
4.1 Has your service been responsible for any service user or customer engagement		<p>External consultations should be undertaken with support from S&CS. Consultation can take many forms from simple surveys to public meetings and all activity should be captured</p>
4.2 Have you published or communicated to relevant stakeholders the results of your consultation		<p>Conclusions and data from consultations should be made available and advice where required from S&CS should be sought on the presentation of data and communication strategy</p>
4.3 Have you reviewed the results to ensure that the views of particular individuals or interest groups have not skewed the results towards a		<p>Have you used any particular tools or methods or consulted any research or statistical experts to ensure there is no bias in the data or conclusions</p>

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
particular viewpoint		
Financial Management		
5.1 Do you ensure that a documented business case has been prepared for any proposal? Do you ensure that your Finance Business Partner (is involved at the earliest possible stage in the preparation of all policy proposals etc. which may have resource, control or other finance related implications and that they are kept informed of developments?		Finance should also be consulted on any novel or contentious spending proposal and any matter which includes issues of financial propriety and regularity. Further guidance on is available in Finance Regulations.
5.2 Do you have procedural instructions, cleared with Finance, about how financial matters are handled within your service and are processes in place for regular monitoring of compliance with these instructions?		Local desk instructions should be drawn, as appropriate, from Finance Regulations. Instructions should be in place covering the arrangements for entering into commitments and for approving and processing the resultant payments, including VAT – and ensuring adequate separation of duties. This may also cover other matters such as delegated authorities, budget monitoring procedures and the requirement to consult Finance on all proposals that

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		<p>may have resource or other finance related implications.</p> <p>Monitoring of compliance should be supported by regular management checks and the consideration of financial matters at regular meetings with your managers.</p>
<p>5.3 Do you delegate financial authority to staff at appropriate levels?</p>		<p>Delegated financial authority (i.e. where members of your staff have full responsibility for budgets and take decisions without having to refer upwards) will not be appropriate in all circumstances but where it is you should provide details of the broad arrangements e.g. set out in desk instructions, financial responsibility statements. This is separate from Delegated Purchasing Authority (DPA). The authority required to make and authorise payments etc. within Tech 1 and the authority to purchase in Tech 1 are also separate authorities.</p> <p>(General guidance on Delegated Authority is available in Finance</p>

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
		Regulations
5.4 Is there adequate separation of duties where required and are staff with these duties adequately trained to discharge their responsibilities in that regard		<p>This should apply to activities such as authorising and processing payments and receipts or awarding grants. There may be concerns (e.g. within small units) where the rules on separation of duties cannot practically be achieved. In such circumstances the response should relate to whether the local arrangements (e.g. compensating controls) agreed with Finance are working satisfactorily.</p> <p>(The requirement for appropriate separation of duties is included in a number of sections of Finance Regulations, notably those covering Expenditure and Payments and Income Receivable & Receipts.) This covers all staff involved in the financial process. The level of knowledge and training should be related to the part played by the individual in the financial process. Individual duties should be covered in desk instructions. All staff with responsibility for entering into</p>

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		<p>contracts, raising purchase orders or issuing invoices etc. should have a knowledge of the rules relating to VAT and the ability to recover and or charge VAT.</p> <p>Note that this is separate from the authority required to make and authorise payments within Tech 1 or to purchase within Tech1</p>
<p>5.5 Do you have arrangements to ensure that all assets for which the area is responsible are properly managed and safeguarded? Do you ensure that Finance (and Assets where applicable) are informed of any changes to assets?</p>		<p>Only assets for which the area is responsible need to be considered here. This will include those assets on a locally maintained inventory of valuable and attractive items. The response should consider safeguards such as those against unauthorised use or disposal.</p> <p>(Guidance on Asset Management and Fraud is available in Finance Regulations.)</p>
<p>5.6 Do you have procedures for ensuring that proper and accurate accounting records are maintained and entries in them are properly</p>		<p>The response to this question needs to reflect both the provision of information needed for accounting purposes (e.g. the proper and timely entry of data into Tech 1) and for</p>

ISSUE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
authorised?		cash management purposes. The response should also take into account the controls in place within your area to ensure that only authorised personnel have access to Tech1.
5.7 Do you have procedures in place for effective monitoring and reviewing of financial information and budgets for which you are responsible?		<p>The response should reflect the following:</p> <ul style="list-style-type: none"> • Measures to ensure that financial systems contain accurate and up to date information; • Measures to monitor the security of financial information; and • Local arrangements for monitoring and reviewing administration costs and capital budgets <p>Measures should include regular management checks. Arrangements for reviewing budgets should be consistent with re-profiling information returned to Finance. (Guidance on Budget and Financial Management is available from your</p>

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		Service Accountant.)
5.8 Are agreed budget plans documented and disseminated within your area?		The review of the regular financial reports needs to take account of both the review internally within the Service as well as external reporting of outcomes and any remedial action required.
5.9 Do you regularly review internal financial reports which report actual against budget outturn and discuss progress with your Executive Director or Deputy Chief Executive as appropriate?		You will wish to consider here the mechanisms in place for communicating budgetary information both at the beginning of the year and changes made in-year whether at the time of formal monthly or quarterly reviews or at other times. This would also cover the transfer of funds between one area and another or between the centre and your area.
5.10 Do you ensure that that Procurement is consulted on all proposals that may have state aid implications?		Guidance on the EC State Aid Rules is included on the Scottish Government website. More detailed guidance is available from Procurement.
Fraud		

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6.1 Are operational managers and other members of staff within your area aware of their responsibilities as set out in the Council's Fraud Policy ?		Relevant guidance in the section on Fraud provided by Finance and IA should be brought to the attention of staff periodically and at induction .
6.2 Are any cases of suspected fraud within your area dealt with in accordance with the Council's Fraud Response Plan ?		Unless separate prescribed procedures are in place any suspicion of fraud (internal or external) should be reported to the Head of Resources and Governance.
Procurement		
7.1 Have you ensured that the Procurement Manager is consulted from the earliest possible stage on any proposals that may involve procurement activity?		Guidance on the role of Procurement is available on Connect and in Contract Standing Orders and accompanying guidance.
7.2 Do you have staff with Delegated Purchasing Authority (DPA) at appropriate levels?		DPA is the authority to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent contract changes. (Guidance on DPA is available on Connect).

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7.3 Is all procurement activity within your area undertaken in accordance with Contract Standing Orders?		<p>Management checks on sample contracts / purchases should be carried out to ensure compliance with the relevant guidance.</p> <p>See Contract Standing Orders specific guidance on the operation of the Government Procurement Card and Tech 1.</p>
7.4 Have you ensured that appropriate procurement management information related to your Service is included in the contract register?		<p>A contract register is maintained by procurement and is required for all contracts for goods, services and works that have been placed during the financial year. This is a key requirement as it underpins sound financial and contractual governance.</p> <p>(Guidance the contract register is available on Connect).</p>
7.5 Is the number of staff authorised and trained to act as approvers on Tech 1 consistent with your Service's needs?		<p>Staff who are authorised as Tech 1 approvers need to recognise the importance on the financial information being entered correctly. The amount of knowledge and training relates to the part played by the individual in the financial</p>

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		process.
7.6 Do you ensure that staff with Purchasing Cards are fully trained to discharge their responsibilities and that there are processes to monitor compliance?		Monitoring of compliance might be achieved by regular management checks and the consideration of financial matters at regular meetings with your managers. (Guidance on Procurement Cards is available on Connect.)
7.7 Do you ensure that staff are complying with the prompt payment of suppliers process to meet the 30 day payment commitment?		Relevant guidance regarding the prompt payment of suppliers policy must be brought to the attention of staff periodically and/or in reviewing training requirements.
Human Resources		
8.1 Are you maintaining a workforce plan for your service and its teams?		The Council's overall workforce plan sets the context for people development. Confidence levels will be shaped by activity such as: <ul style="list-style-type: none"> • working with your HR business partner to determine capacity, capability, succession

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		<p>planning requirements;</p> <p>supporting learning and development planning and activity.</p>
<p>8.2 Do you have adequate processes for monitoring and managing the number and cost of all of your staff (whether permanent or temporary)?</p>		<p>You will want to be assured that you have effective processes in place to track and review spend and workforce numbers. iTrent management information reports are provided to Services and the accuracy of these should be checked regularly.</p>
<p>8.3 Do you adhere to corporate processes regarding recruitment, absence management, flexible working hours, travel and subsistence and overtime?</p>		<p>Advice is available on Connect on recruitment, absence management, flexible working hours, travel and subsistence and overtime or via your HR Business Partner.</p>
<p>8.4 Do you take action to improve employee engagement, including the regular meeting of TUs through service bipartiteis?</p>		<p>What evidence do you draw on to inform action, for example employee surveys?.</p>
<p>8.5 Do you have recording tools in place and clear agreements in place for the allowing time off for accredited TU representatives for TU</p>		<p>In accordance with the Trade Union facility Time publication Requirements Regulations 2017 it is a statutory requirement to record</p>

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duties and activities		and report on time off for TU duties and activities
8.6 Do you maintain a record of completion rates of PRDs and share this information with TU's and elected members?		The completion of PRDs is a policy requirement and expectation of Elected members.
Equality & Diversity		
9.1 Are all new or revised policies/activities in your area assessed for their impact on equality groups and Equality Impact Assessment (EQIA) results published on the Clacks website within a reasonable period (as required by legislation)?		<p>This question relates to the Council's responsibilities under the statutory public sector equality duties. You are expected to ensure that new or revised policies and activities in your area are assessed for their impact on equality groups.</p> <p>Guidance on EQIAs is available on Connect.</p>
9.2 Do you have support structures in place in your Service to enable staff to undertake and complete equality impact assessments?		You should consider what steps you have taken to ensure that your staff are able to and do use the Council's equality impact assessment guidance and toolkit. You will also want to consider what kind of support you are providing for your staff so that they are able to undertake and

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		complete this process successfully.
Information Management		
10.1 Are your information assets registered on an Information Asset Register (IAR)?		Heads of Service are responsible for ensuring that their information assets are recorded on the corporate Information Asset Register (IAR)
10.2 Can you confirm that information risk assessments have been carried out for all information assets?		Guidance can be found on Connect or from the IT Service Manager
10.3 Are access control mechanisms in place for each system?		Access control mechanisms for each system are documented by IAOs. Control Mechanisms are in place for physical access and access to information. Location of information assets are registered on the Information Asset Register.
10.4 Do you have processes in place for dealing with breaches of security / data handling incidents?		Managers should be aware of and follow the corporate process in place to report, manage and recover from information risk incidents. Team Leaders have a responsibility to ensure that staff are aware of and comply with the relevant guidance,

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		to initiate checks where non-compliance is suspected and to monitor suppliers. Managers have a responsibility to ensure that all staff and suppliers are aware of their responsibilities to safeguard Council information.
10.5 Have there been any breaches of security / data handling incidents during the financial year?		Please include brief details of how many; when; what were the circumstances; whether personal data was involved; was it reported to Resources and Governance; was it dealt with / resolved satisfactorily? For example, answer YES if you have had a data breach which was reported and resolved to your satisfaction.
Health & Safety		
11.1 Have there been any major H & S breaches within your Service during this period?		Any H&S issues reported to H&S adviser that have resulted in investigation, RIDDOR reports etc

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11.2 Does your service have access to appropriate and relevant advice, guidance and information on Health & Safety?		<p>Duty holders (such as Health and Safety Liaison Officers (HSLOs), First Aiders, Fire Precautions Officers (where appropriate) and Fire Marshals) perform key health and safety functions which help managers discharge their own responsibilities.</p> <p>Evidence that all staff are aware of their responsibilities such as induction or completion rates on Clacks academy should be noted</p>
11.3 Does your area have processes in place to ensure compliance with Health & Safety legislation, policies, and procedures?		<p>For example, Risk Assessment Teams (appointed by Heads of Service) to:</p> <ul style="list-style-type: none"> review and amend generic risk assessments, and generate new assessments as required communicate findings to all affected staff keep assessments under review

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11.4 Are Health & Safety issues recorded within your service and shared with the Health & Safety Advisor? i.e. RIDDOR		<p>HSLOs should complete regular workplace Inspections in which provides information on their performance against key health and safety tasks from the Health and Safety Management System.</p> <p>Input from TU H&S reps might also be sought</p>
Partnership Arrangements		
12.1 Is your service responsible for managing any partnership or shared service type arrangements		Detail her any formal partnership arrangements, including shared services or ALEOs which your service leads or in which you have a significant role
12.2 Are arrangements in place to support strong, strategic relationships within the partnership to ensure effective collaboration in delivering shared outcomes?		Partnership should always be considered a strategic activity, based on strong relationships characterised by openness, trust, respect and mutual support. The objective is to find ways of working with bodies that engage and empower them in a shared vision and understanding of the strategic environment, while ensuring proportionate arrangements are in place to

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		safeguard public funds and incentivise performance.
12.3 Do the partnership arrangements demonstrate financial capability by providing accurate and timely financial monitoring and forecasting information to stakeholders as needed?		<p>Evidence of financial capability will be provided through activity such as: external audits, Internal Audit assessments and financial monitoring/forecasting.</p> <p>It is essential that accurate financial monitoring and forecasting information is provided to Finance as part of the overall management of the Council's Budget.</p>
Compliance		
13.1 Do you have processes in place to ensure compliance with applicable existing, new and updated policies, procedures, laws and regulations?		Processes might refer to desk instructions, local checklists, retention schedules and/or periodic management checks e.g. relating to the existence of statutory authority for expenditure and the holding / provision of information under the Data Protection and Freedom of Information Acts.
13.2 Do you have appropriate arrangements in place to ensure		

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staff are appropriately trained and supported to handle FOI and EIR requests in line with legislative requirements?		
13.3 Are your staff appropriately trained and aware of their Data Protection and information security responsibilities?		<p>Heads of Service must ensure that their staff successfully complete the mandatory annual DPA eLearning and Responsible for Information eLearning packages</p> <p>All staff should have read and understood the relevant policies and guidance (such as DPA, IT Code of Conduct, and Records Management). Relevant staff should be aware of how to handle requests for personal data: from individuals (Subject Access Requests) as well as 3rd parties; and when a Data Sharing Agreement is appropriate.</p>
13.4 How confident are you that your staff are aware of the cyber threats pertinent to your Service. Are you and your staff taking all required actions about safeguarding your information assets and the corporate infrastructure. Are any		<p>Staff need to be aware of the main cyber risks and be taking action in all areas e.g. cloud, mobile, spoof emails and data transmission. Any procurement and business process must take regard of cyber threats. Any risk the Service takes in this area</p>

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risks of attack your Service area is taking known, understood and formally accepted?		must be stated, understood and signed off. Any threat to the corporate infrastructure requires additional clearance from the ICT Service manager.
Governance Improvement		
<p>14.1 How robust were your mechanisms for reviewing and improving the effectiveness and efficiency of controls in your area within the last year?</p> <p>Do you review regularly (at least annually) the effectiveness and efficiency of internal controls in your area?</p>		<p>You should be reviewing internal controls in your area at appropriate points in time e.g. when processes change or operational shortcomings come to light.</p> <p>Has anything happened during the course of the financial year that has raised questions about the controls that you have in place? E.g. has the running of the regular financial monitoring exercises suggested any shortcomings? Have there been any particular queries that may lead to doubts about how the controls are operating?</p>
14.2 Have risks and controls in your area been subject to independent		

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review (e.g. by Internal Audit, External Audit, review by external consultants) in the course of the year?		
14.3 Has appropriate action been taken to implement agreed recommendations resulting from such reviews?		You should provide details of any key weaknesses identified and the steps taken to resolve these.
Other Issues		
15.1 Apart from the issues raised above, are there any significant control matters arising in your area which could adversely affect the signing of the Annual Governance Statement by the Chief Executive or Leader of the Council?		Provide here details of any other control problems, specific to your area of responsibility, which you have encountered during the year

