EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

20 June 2019

Report by Deputy Chief Executive

CODE OF CORPORATE GOVERNANCE

PURPOSE OF REPORT

1.   To update the Audit and Scrutiny Committee on progress against improvement actions in the 2018/19 Code of Corporate Governance and to approve a new Code for 2019/20 (listed at Annex 1).

RECOMMENDATIONS

2.   The Audit and Scrutiny Committee is asked to:-

     (a)   Note progress on the 2018/19 Code of Corporate Governance improvement actions; and

     (b)   Approve the Code of Corporate Governance updates and actions for 2019/20 (Annex 1).

BACKGROUND

3.   East Renfrewshire Council is responsible for ensuring that 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.

4.   In discharging this responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of resources. Since December 2002, the Council has adopted and updated annually a Code of Corporate Governance which is consistent with the principles and requirements of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government.*

5.   The Code of Corporate Governance is a statement of the structures and processes that govern internal policy-making, community leadership, partnership working and the mechanisms to ensure proper control and accountability are in place.

6.   The *Delivering Good Governance in Local Government* framework was revised in 2016. Previously the Corporate Governance framework consisted of six core principles. The Code now comprises of seven governing principles and a set of supporting principles however the sentiment is essentially the same. The full set of principles is listed in the draft code in Annex 1. A diagram providing an 'at a glance' summary of the Council's evidence to ensure good corporate governance is included at the end of Annex 1 for ease of reference.

7.	All councils must comply with the following requirements:

- Publication of an annual progress summary on the previous year's Code, including any actions taken to improve compliance.

- Publication of an annual Code of Corporate Governance update. This must include an update on any new evidence we can present. It must also include self-assessment scoring of the evidence we have regarding: compliance with national guidance on each governance requirement; and details of any action planned to improve compliance during 2019/20.

- Inclusion of an Annual Governance Statement in the Council's Annual Report and Accounts.

PROGRESS ON 2018/19 ACTIONS

8.	In May 2019 an update on the actions from the 2018/19 Code of Corporate Governance update was produced. The update is attached at Annex 2 and was placed on the Council's website for public access.

9.	Five of the six improvement activities listed in the 2018/19 code were completed:

- The development of the Essential Scrutiny Skills Programme for elected members is now complete with no demand for a follow-up session at this stage;
- The workforce plan with actions defined for 2018–21 will be updated annually with actions reviewed quarterly by the Workforce Planning Working Group;
- The update to the Information Security Policy is now complete and the Anti-Money Laundering policy was approved by Cabinet in August 2018 with finalised training due to be rolled out to key members of staff over summer 2019;
- The new Finance, Procurement, Payroll and HR system was procured and contract awarded in March 2019; and
- A co-ordinated approach to the development of key corporate plans linked to the future use and management of our finances, resources, assets and workforce was reported to Cabinet as part of Best Value Assurance recommendations in April 2018 and 2019.

Work on the new "Anti-Fraud, Bribery and Theft" Strategy has been completed in line with the CIPFA "Code of Practice on Managing the Risk of Fraud and Corruption" and an annual report on fraud will be submitted for approval in 2020 to ensure full compliance.

UPDATED CODE OF CORPORATE GOVERNANCE FOR 2018/19

10.	The updated Code of Corporate Governance for 2019/20 is included at Annex 1 and sets out arrangements which fulfil the seven governance principles outlined in the national guidance. The CIPFA / SOLACE framework emphasises that councils should:

- keep codes of corporate governance under review;
- carry out a process of self-evaluation scoring; and
- develop actions to address any gaps or areas for improvement in governance arrangements.

The self-assessment scoring of this year's code found that we were fully compliant across all governance principles with the exception of being partially compliant in the area under the principle *behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law,* sub principle *ensuring corruption and misuse of power are dealt*

with effectively; and in the area under the principle *of managing risks and performance through robust internal control and strong financial management*, sub principle *ensuring effective counter fraud and anti-corruption arrangements are in place.* Action has been taken in this area to review our counter fraud and anti-corruption arrangements with an annual report on fraud scheduled to be submitted for approval in 2020.

11.   A number of actions to be undertaken in 2019/20 to further improve compliance with the Code have been identified. Each action has been included only once to avoid duplication, with any references to other relevant supporting principles included for information. Key actions for 2019/20 are:

- Full review of the Code of Conduct for Employees considering all related documents, changes to legislation, feedback from employees and managers and the principles in the CIPFA Code;
- Review of council values with stakeholder engagement resulting in the launch of updated council values which will be embedded through the provision of toolkits and briefings;
- A new "Anti-Fraud, Bribery and Theft" Strategy has been prepared for consideration by Corporate Management Team and an annual report on fraud will be submitted for approval in 2020 to ensure full compliance;
- Engagement of internal and external stakeholders for input into design of customer processes for implementation of new Customer Experience system and Council website; and
- The current Performance Review and Development (PRD) scheme has been re-developed to move to Quality Conversations and promote a more open and constructive discussion between employees and managers with briefing sessions ongoing.

12.   Once approved, the Code of Corporate Governance 2019/20 will be made available on the Council's website and a progress update on the actions will be made in May 2020 after the close of the 2019/20 financial year.

ANNUAL GOVERNANCE STATEMENT

13.   As part of the SOLACE/CIPFA corporate governance framework the Leader and the Chief Executive are responsible for ensuring the inclusion of the Annual Governance Statement in the Annual Report and Accounts. The 2018/19 Annual Report and Accounts is to be published later in the year. This Statement includes a progress summary of the 2018/19 Code of Corporate Governance actions and also references the 2019/20 Code.

CONCLUSION

14.   Based on the evidence presented here East Renfrewshire Council is governed by sound and effective internal management controls and continues to demonstrate compliance with the requirements of the CIPFA/SOLACE Framework: "*Delivering Good Governance in Local Government.*

15.   As part of the annual review process the Code of Corporate Governance has been updated and scored in line with evidence and in consultation with colleagues across the Council. Progress on planned actions for last year (2018/19) has been posted on the Council's website, accessible here. Subject to Audit and Scrutiny Committee's approval the new revised Code for 2019/20 will also be posted on the Council's website in June 2019.

RECOMMENDATIONS

16.   The Audit and Scrutiny Committee is asked to:-

(a)   Note progress on the 2018/19 Code of Corporate Governance improvement actions; and

(b)   Approve the Code of Corporate Governance updates and actions for 2019/20 (Annex 1).

Caroline Innes
Deputy Chief Executive
4 June 2019

Report author:
Stephen Fraser, Corporate Policy Assistant, Tel: 0141 577 3855;
stephen.fraser@eastrenfrewshire.gov.uk

BACKGROUND PAPERS
- Code of Corporate Governance, Audit & Scrutiny Committee, 21 June, 2018

KEYWORDS
(governance, code, corporate, principles, CIPFA, SOLACE, LAN, accountability, improvement actions, leadership).

EAST RENFREWSHIRE COUNCIL

Annex 1

CODE OF CORPORATE GOVERNANCE 2019/20

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1– not; 2– partial; 3–fully)	**Further Action Required**
1. **Behaving with integrity**	1.1 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	• Code of Conduct for Members & Employees • Members' Induction • Council Values (reviewed 2019) • Performance Review and Development (reviewed 2019 – launch of new Quality Conversations framework)	3	Full review of the Code of Conduct considering all related documents, changes to legislation, feedback from employees and managers and the principles in the CIPFA Code A Findlay Sep 2019
	1.2 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)	• Council Values • HR notices and policies • Customer Care standards • Council website • Communications Strategy • Vision for the future (reviewed 2019) • Citizens' panel findings on demonstrating council values	3	Review of council values with stakeholder engagement resulting in launch of updated council values which will be embedded through the provision of toolkits and briefings. P Cameron Dec 2019
	1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	• Minutes of meetings • Council Standing Orders • Audit and Scrutiny Committee • Scheme of Administration • Scheme of delegated functions • Council values • Register of interests	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1– not; 2– partial; 3–fully)	**Further Action Required**
	1.4 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 they are operating effectively	- HR notices and policies - Social Media Policy & Media Protocol - Anti-fraud and Bribery strategy - Register of interests - Complaints policy, procedure & report - Unacceptable Actions Policy - Code of Conduct for Members & Employees - Council Values - Standard Operating Procedures MAP project - Leadership Competencies - Management & Leadership Development Programmes	3	
2. Demonstrating strong commitment to ethical values	2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance	- Minutes of Committee meetings - Council Standing Orders - Audit and Scrutiny Committee chaired by opposition group on Council - Scheme of Administration - Scheme of delegated functions	3	
	2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	- Members' Induction - Code of Conduct for Members & Employees - Scheme of delegated functions - Council Values - Leadership Competencies	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1– not; 2– partial; 3–fully)	**Further Action Required**
	2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	• HR notices and policies • Contract Standing Orders • Performance Review and Development • Chief Executive performance review meetings • Recruitment and Selection Code of Practice • Discipline & Grievance procedures • Corporate Procurement Strategy	3	
	2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	• Code of Conduct for Members & Employees • Contract Standing Orders • General Conditions of Purchase • Corporate Procurement Strategy • Integration scheme for ER HSCP • Culture and Leisure Trust – Transfer of Services Agreement and Articles of Association	3	
3. **Respecting the rule of law**	3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	• Scheme of Administration • Council Values • Contract Standing Orders • Adherence to Local Government in Scotland Act • Other statutory provision (e.g. planning legislation, placing requests, freedom of information, data protection and health and safety requirements) • Role of Monitoring Officer • Financial Regulations	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1– not; 2– partial; 3–fully)	**Further Action Required**
	3.2 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	• Code of Conduct for Members & Employees • Scheme of delegated functions • Job descriptions • Financial regulations • Compliant with CIPFA Statement on role of Chief Financial Officer • Council Standing Orders	3	
	3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	• Legal files and emails • ODP	3	
	3.4 Dealing with breaches of legal and regulatory provisions effectively	• Role of Monitoring Officer • Legal files and emails (e.g. response to Housing Regulator reports) • Adherence to Local Government in Scotland Act 2003 • Other statutory provision (e.g. planning legislation, placing requests, freedom of information and data protection requirements)	3	

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1– not; 2– partial; 3–fully)	Further Action Required
	3.5 Ensuring corruption and misuse of power are dealt with effectively	• Anti-fraud and Bribery Strategy (including probity register) • HR policies	2	A new "Anti-Fraud, Bribery and Theft" Strategy has been prepared in line with the CIPFA "Code of Practice on Managing the Risk of Fraud and Corruption" and is due to be considered by CMT in June 2019. An annual report on fraud will be submitted for approval in 2020 to ensure full compliance. G Darbyshire 2020

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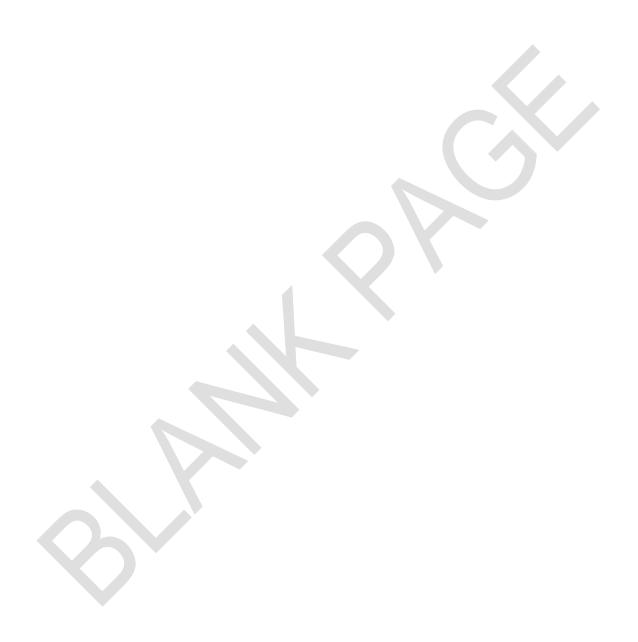| Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
1. Openness	1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	• Community Plan & Outcome Delivery Plan • Customer Care standards • National reporting requirements to Scottish Government/Audit Scotland • Internal Audit annual report • Local Scrutiny Plan • Annual Report & Accounts • Annual Performance Report • Council and CPP performance reports • Citizen Space engagement tool • Social media growth and content strategy • Council website • Citizens' Panel • Council Standing Orders • Annual efficiency statement • Planning for the future demographic document • National LGBF benchmarking report • Annual Complaints report • Chief Social Work Officer Annual Report • Publication Scheme • Records Management Plan • FoI annual report • Council values • Communications Strategy • Insider magazine • iMatter staff engagement tool • Programme reporting & governance	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	• Council meetings and webcasts • Council Standing Orders • Audit and Scrutiny Committee chaired by opposition group on Council • Scheme of Administration • Scheme of delegated functions	3	
	1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	• Scheme of Administration • Call-in procedure • Local Scrutiny Plan • Scheme of Delegated Functions • Committee Minutes and Committee reports • Risk management strategy • Options appraisal guidance and training • Reporting arrangements • Unacceptable Actions Policy • Audit & Scrutiny Committee 2012-17 Report	3	
	1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	• Community Plan • Community Planning Partnership • Citizen Space community engagement tool • Social media interaction • Citizens' Panel • Service-level customer communication • Digital Customer Experience principles • User/service design as part of MAP	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
2. **Engaging comprehensively with institutional stakeholders**	2.1 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	- Outcome Delivery Plan - Vision for the Future strategy - Communications Strategy - Community Engagement for Fairer Eastren plan - Locality Planning	3	
	2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	- Citizens' Panel - Community Planning Partnership - Voluntary organisations database - Community Groups database - Community Plan (incorporating Fairer East Ren our LOIP)	3	
	2.3 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	- Community Planning Partnership - Integration scheme for ER HSCP - Culture and Leisure Trust – Transfer of Services Agreement and Articles of Association	3	
3. **Engaging stakeholders effectively, including individual citizens and service users**	3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	- Citizen Space community engagement tool - Community Planning Partnership - Council website - Participation Requests Framework	3	

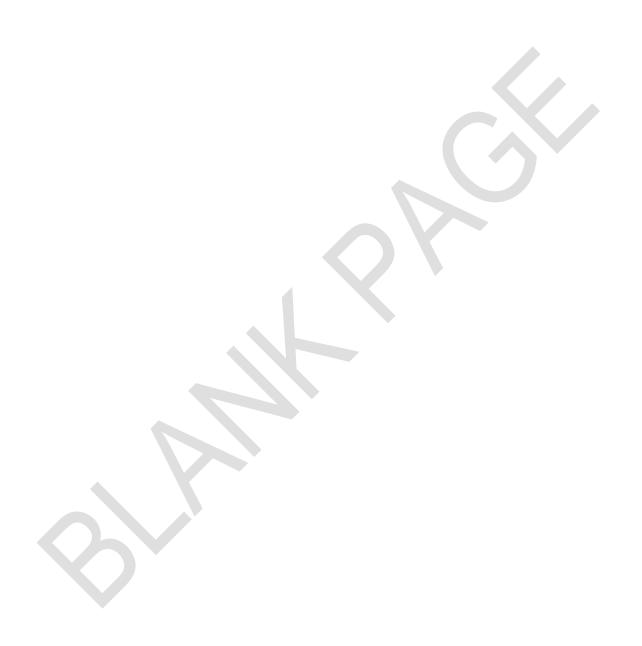| Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	3.2 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	• Vision for the Future Citizen Space engagement tool • Service-level customer communication • Community Empowerment Act briefings • Community Engagement driver diagram • Communications Strategy • Social media growth and content strategy • Community engagement training	3	
	3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	• CPP needs assessment • Citizens' panel data trends • Citizen Space engagement tool • Planning for the Future document • Communications Strategy • Social media growth and content strategy • Community engagement on Fairer Eastren plan • Fairer Scotland Duty • Locality Planning	3	
	3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	• Citizen Space community engagement tool • Social media & Council website • Citizens' Panel • Complaints report • Communications Strategy	3	
	3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	• Citizen Space community engagement tool • Fairer Eastren community engagement exercise • Community Mapping • Locality Planning	3	

Principle B: Ensuring openness and comprehensive stakeholder engagement				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	3.6 Taking account of the interests of future generations of tax payers and service users	• CPP needs assessment • Community mapping database • Social media engagement • Annual Report & Accounts • Annual Performance Report • Council and CPP performance reports • Vision for the Future • Financial Planning 2019-25 • Annual efficiency statement • Planning for the future demographic document	3	

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Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
1. **Defining outcomes**	1.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	- Modern Ambitious change Programme (MAP) - Council vision, capabilities and values - Outcome Delivery Plan (ODP) - Annual updates on Community Plan and ODP - Council Report – Financial Planning 2019-25 - Community Planning Partnership (CPP) Board meetings - CPP Performance and Accountability (PAR) meetings - Vision for the Future - Strategic Planning update for Council, October 2018 - Driver diagrams for 5 capabilities (incl. modernisation, data, digital and empowering communities)	3	
	1.2 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	- Outcome Delivery Plan (ODP) - Vision for the Future strategy - MAP change programme - Directors of Finance- Economic Forecasts/Benchmarking - Communications Strategy - Locality Planning approach – Cabinet paper - Budget planning process	3	

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available	• Annual updates on Community Plan and ODP • Annual report and accounts • Annual efficiency statement • Council Report – Financial Planning 2019-25	3	
	1.4 Identifying and managing risks to the achievement of outcomes	• Strategic and operational risk registers • Risk reporting • Audit and Scrutiny and CMT risk monitoring • Risk Management Strategy • Business Continuity Planning	3	
	1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	• Public performance reporting • Budget consultation exercise • Community Empowerment Act paper January 2017 • Framework for participatory requests • Needs assessment and priorities • Participatory budgeting Roads pilot	3	
2. **Sustainable economic, social and environmental benefits**	2.1 Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	• Capital programme • City Deal • Invest East Renfrewshire • Sustainable procurement policy • Corporate Procurement Strategy • City Deal procurement strategy • Budget Strategy Group and annual budget process • PEST analysis in Vision for the Future	3	

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	2.2 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 political cycle or financial constraints	• Agendas and minutes of meetings • Council Report – Financial Planning 2019-25 • Budget Strategy Group and annual budget process • Strategic risk register monitoring	3	
	2.3 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	• Agendas and minutes of meeting • Council standing orders • Council website • Scheme of Administration • Budget consultation exercise • Main Issues Report & Local Development Plan	3	
	2.4 Ensuring fair access to services	• Adhering to statutory guidance • Equality Impact Assessments • Equality Outcomes Mainstreaming Plan and Report • Fairer Scotland Duty	3	

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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
1. Determining interventions	1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	• Options appraisals (including guidance & training) – mainstreamed into MAP & financial bid processes • Council standing orders • Agenda and minutes of meetings • Corporate template - options	3	
	1.2 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 resource available including people, skills, land and assets and bearing in mind future impacts	• Financial planning and financial management • Budget Strategy Group • Use citizens' panel data • Participatory budget pilot • Service/user design via MAP	3	
2. Planning interventions	2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	• Cabinet system of governance • Annual Cabinet work plan • Six monthly performance monitoring • MAP & Investment Programme governance • Multi-year budgeting	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	2.2 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	• Council website • Citizen's Space • Communications Strategy	3	Engagement of internal and external stakeholders for input into design of customer processes for implementation of new Customer Experience system and Council website. Digital Customer Experience Dec 2020
	2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	• Community Planning Partnership • Risk Management Strategy • Strategic Risk Register • Business Continuity Planning	3	
	2.4 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	• Council standing orders • Call-in procedure • Scheme of Administration • Council standing orders • Range of budget scenarios • MAP & investment programme governance	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.5 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	• Performance Management Framework • Evaluative approach to Service Business Planning • Outcome strategies • Outcome Delivery Plan 2019/22 • Community Plan	3	
	2.6 Ensuring capacity exists to generate the information required to review service quality regularly	• Performance Management System • RAG status included in reports • 6 monthly performance reporting • Local Scrutiny Plan	3	
	2.7 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	• Financial planning and management • Budget Strategy Group • Financial Planning 2019-25	3	
	2.8 Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	• Financial planning and management • Budget Strategy Group • Outcome Delivery Plan • Reserves policy • Capital Investment Strategy • Asset Management Plans • Workforce Plan • Change plans	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
3. **Optimising achievement of intended outcomes**	3.1 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	• Financial management and planning • Budget Strategy Group • Capital Investment Strategy • Asset Management Plans • Budget engagement process • Capital planning • Local Development Plan • Participatory budgeting approach	3	
	3.2 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	• Asset Management Plans • Corporate Asset Management Group • Capital Project Appraisal Forms • Financial Planning • Revenue Savings Templates • Corporate Resource Planning (e.g. transformation fund, restructuring budget)	3	
	3.3 Ensuring the medium-term financial strategy sets the context for ongoing decisions 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	• Financial Planning and management	3	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	3.4 Ensuring the achievement of 'social value' through service planning and commissioning	- Economic Development & City Deal approaches to community benefits - Change programmes - Corporate procurement - Alternative models of service delivery (HSCP)	3	

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Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
1. **Developing the entity's capacity**	1.1 Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	• Annual ODP review • Performance Management Framework • Corporate Asset Management Group • Job descriptions/person specifications • Audit and Scrutiny Committee • Service level annual self-evaluations • Inspection regimes • Asset Management Plans • Local Scrutiny Plan	3	
	1.2 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	• Procurement Strategy • Option appraisal • APSE benchmarking reports • Participation in benchmarking groups & Local Government Benchmarking Framework report	3	
	1.3 Recognising the benefits of partnerships and collaborative working where added value can be achieved	• CoSLA • Improvement Service engagement • Community Planning Partnership • ERCL Trust • HSCP • City Deal • Scotland Excel • Local Government Digital Partnership • Clyde Valley arrangements • Shared services/collaborative arrangements	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	1.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• Workforce Plan and driver diagram • Planning for the Future staff profile • Vision for the Future strategy	3	
2.**Developing the capability of the entity's leadership and other individuals**	2.1 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	• Scheme of delegated functions • Elected member inductions • Scheme of Administration • Codes of Conduct for Employees & Members • Anti-fraud and Bribery Strategy • Job descriptions	3	
	2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	• Scheme of delegated functions • Council standing orders • Contract standing orders	3	
	2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	• Job descriptions • Scheme of delegated functions • Performance Review and Development • Six monthly corporate performance reporting	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	2.4 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks	• Member and Officer induction programme • Leaders for the Future programme • Vision for the Future (incl. PEST analysis) • Briefings to Members • Corporate Training Calendar • Brightwave e-learning • Atomic online video training • Quality Conversations • Member Training and Development Plans • Organisational Development Board	3	
	2.5 Ensuring that there are structures in place to encourage public participation	• Citizens' Panel • Citizens' Space engagement tool • Community Councils and Tenant group support • Service/User design as part of MAP • Supporting community groups	3	
	2.6 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	• Member support team • Chief Executive and Member meetings • Member Training and Development Plans • Leadership training 360 feedback • iMatter employee engagement tool	3	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial; 3 – fully)	Further Action Required
	2.7 Holding staff to account through regular performance reviews which take account of training or development needs	• Quality Conversations • Training and Development Plans • Annual review corporate training programme • Chief Executive and Member meetings	3	The current PRD (Performance Review and Development) scheme has been developed to move to Quality Conversations (QC) to promote a more open and constructive discussion between employees and managers. QC was launched in Apr 19 and briefing sessions are ongoing to educate on new scheme. P.Cameron Mar 2020
	2.8 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	• HR and Health and Safety policies • Healthy Working Lives Award • Employee counselling provision • Occupational Health provision including physiotherapy • Stress risk assessment	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial;3 –fully)	**Further Action Required**
1. **Managing risk**	1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	• Scheme of Administration • Scheme of Delegated Functions • Risk management strategy • Corporate Management Team monitoring • Business Continuity Planning	3	
	1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	• Risk management strategy	3	
	1.3 Ensuring that responsibilities for managing individual risks are clearly allocated	• Risk management strategy • Risk Management Group • Audit and Scrutiny Committee role • Operational risk registers	3	
2. **Managing performance**	2.1 Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	• Strategic planning and performance arrangements (ODP, Community Plan) • Council Minutes and Committee reports • Performance Management Framework • Corporate Asset Management Group	3	
	2.2 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	• Member Support team • Corporate committee template requirements • Council Minutes and Committee reports	3	

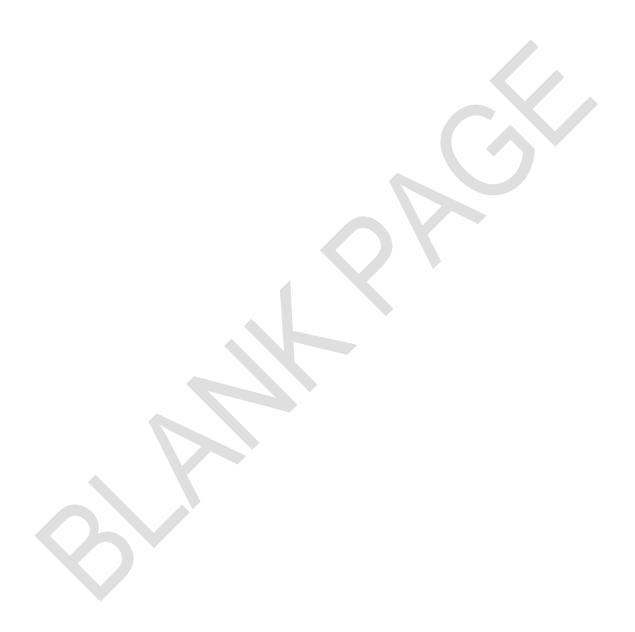| Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial;3 –fully)	**Further Action Required**
	2.3 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	• Scheme of Administration • Scheme of Delegated Functions • Code of Conduct for employees & Members • Recruitment and Selection Code of Practice • Register of interests • Anti-fraud & Bribery Strategy • Council Standing Orders • Annual Governance Statement • Adherence to Local Gov. in Scotland Act	3	
	2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	• Directors 1:1 with Convenors • Performance management framework • Strategic and service business plan monitoring arrangements	3	
	2.5 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)	• Contract standing orders • Financial planning and management • Annual Report and Accounts	3	
3. **Robust internal control**	3.1 Aligning the risk management strategy and policies on internal control with achieving objectives	• Risk management strategy • Strategic risk register • Internal audit plan and reports • Risks linked to outcomes in key plans	3	
	3.2 Evaluating and monitoring risk management and internal control on a regular basis	• Risk management strategy • Budget monitoring arrangements	3	
	3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place	• Anti-fraud & Bribery Strategy • Compliance with the Code of practice on managing the risk of fraud and corruption	2	Action at A3.5

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	Requirement	Evidence	Evaluation of Requirement Against Code (1 – not; 2 – partial;3 –fully)	Further Action Required
	3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	• Annual Governance Statement • Annual Report and Accounts • Internal audit work plan • Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks	3	
	3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, that its recommendations are listened to and acted upon	• Audit and Scrutiny Committee chaired by opposition group on Council • Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks • Committee's use of 'call in' procedures • Additional officer support for Audit &Scrutiny Committee	3	

Principle F: Managing risks and performance through robust internal control and strong public financial management				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
4. **Managing data**	4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	• Code of Conduct for employees & Members • Recruitment and Selection Code of Practice • Register of Members' and Employees' interests • Anti-fraud & Bribery Strategy • Corporate training and guidance notes on FOI, Regulation of Investigatory Powers and Data Protection • Data Loss Prevention programme • Data Protection (e-courses) • Information Governance Officer • Data protection policies • Records Management Plan	3	
	4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	• Data Loss Prevention programme • Information Governance Officer • Data protection policies	3	
	4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	• Performance Management Framework • Sign off procedures • Mid and end year reporting • Mid and end year review meetings • LGBF analysis	3	
5. **Strong public financial management**	5.1 Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	• Financial planning and management arrangements • Council Report - Financial Planning 2017-2022 • Outcome Delivery Plan • Finance Business Partner Approach	3	
	5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	• Budget monitoring reports • Annual report and accounts • Annual Efficiency statement • Finance Business Partner Approach	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
1. **Implementing good practice in transparency**	1.1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	• Council website • Corporate Reporting Format guidance • Communications strategy	3	
	1.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	• Annual Public Performance Report • Council website- performance pages • Evaluation of public performance reporting arrangement	3	
2. **Implementing good practices in reporting**	2.1 Reporting at least annually on performance, value for money and the stewardship of its resources	• Annual report and accounts • Annual Efficiency Statement • Annual Public Performance Report • Performance Management Framework • Local Government Benchmarking Framework Annual Performance Report	3	
	2.2 Ensuring members and senior management own the results	• Discussion at Council/Cabinet/Committees • Improvement actions and ownership • Chief Executive review meetings • Chief Executive PRD	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	2.3 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 (annual governance statement)	• Annual governance statement	3	
	2.4 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	• Annual governance statement- included in annual accounts and publicly available	3	
	2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	• Recent review of annual account format to improve accessibility	3	
3. **Assurance and effective accountability**	3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	• Recommendations made by external audit acted upon (e.g. Local Scrutiny Plan) • Audit Scotland Annual Audit Report to Members and the Controller of Audit • East Renfrewshire Best Value report	3	
	3.2 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	• Compliance with CIPFAs statement on the role of the head of internal audit • Compliance with public sector internal audit standards	3	
	3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	• Recommendations made by peer reviews/inspections/regulatory and bodies considered and included in plans for implementation e.g. thematic review cycle in schools	3	

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub Principle	**Requirement**	**Evidence**	**Evaluation of Requirement Against Code** (1 – not; 2 – partial; 3 – fully)	**Further Action Required**
	3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	• Annual Governance Statement	3	
	3.5 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	• Community Planning Partnership governance arrangements • Ongoing approach to community engagement	3	

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East Renfrewshire Council Corporate Governance - Key documents, supporting processes and monitoring

Corporate Governance comprises the systems and processes, cultures and values, by which councils are directed and controlled and through which they account to and engage with their communities

Key Documents

Strategies, standards and statements

Vision for the Future
Outcome strategies
Capital Investment Strategy
Anti-Fraud and Bribery Strategy
Corporate Procurement Strategy
Risk Management Strategy
Communications Strategy
Strategic Risk Register

Council Values
Efficiency Statement
Governance Statement
Codes of Conduct
Register of Interests
Social Media Policy & Protocol
Customer Care Standards

Plans, policies and reports

Community Plan (including Fairer East Ren)
Outcome Delivery Plan
Local Scrutiny Plan
Mainstreaming Equality Plan
Asset Management Plans
Records Management Plan
Workforce Plan
Complaints Policy
Unacceptable Actions Policy
Meeting Agendas and Minutes Programmes
Local Development Plan
Service Business Plans

Public Performance Report
Internal Audit Reports
LGBF Benchmarking Report
Strategic Performance Reports
Citizens' Panel Report
Audit & Scrutiny Reports
Financial Planning Report
Annual Report & Accounts
Employee Survey
Change & Investment

Supporting Processes and Monitoring

HR policies
Leadership Competencies
Recruitment Code of Practice
Inductions and training
Quality Conversations framework
Job Descriptions
iMatter employee engagement process
Monitoring Officer
Performance Management Framework
Self-evaluations
Inspection regimes
Council website
Community Planning Partnership
Budget monitoring
Data Protection/Information Governance policies
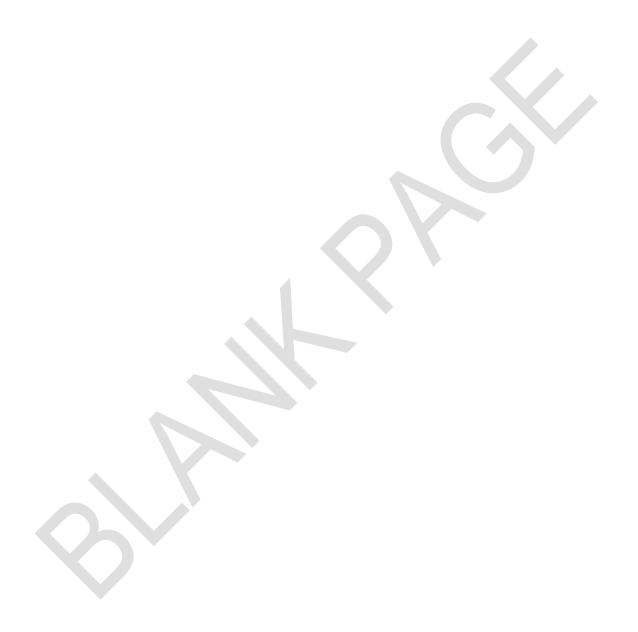Risk Monitoring
Audit & Scrutiny Committee
Council Standing Orders
Scheme of Delegated functions
Scheme of Administration
Contract Standing Orders
Financial Regulations

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EAST RENFREWSHIRE COUNCIL

Update on CODE OF CORPORATE GOVERNANCE
2018/19 Improvement Actions

In June 2018 East Renfrewshire Council's Audit and Scrutiny Committee approved the local Code of Corporate Governance 2018/19. The code is a Council statement of the structures and working arrangements in place for internal policy-making; community leadership; partnership working and accountability mechanisms that are in place. As well as self-assessing our local code's compliance against the national prescribed scoring, the statement also included a number of improvement actions to be carried out in 2018/9. A progress update on the improvement actions is listed below. For more information contact the Policy and Improvement Unit. Tel: 0141 577 3855.

Principle A		
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			
Supporting Principle	**Requirement**	**Further Action Required**	
3. Respecting the rule of law	3.2 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	Development of Essential Scrutiny Skills Programme for elected members. Programme to run over 2018/19 with a completion date of March 2019 - Eamonn Daly, Linda Hutchison and Pauline Cameron.	**COMPLETE** The development of the Essential Scrutiny Skills Programme for elected members is now complete with no demand for a follow-up session at this stage.
Principle E			
Developing the entity's capacity, including the capability of its leadership and the individuals within it			
Supporting Principle	**Requirement**	**Further Action Required**	
1. Developing the entity's capacity	1.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	Finalise and implement actions for year one of the workforce action plan by March 2019 – Sharon Dick.	**COMPLETE** Workforce plan with actions defined for 2018–21. Plan to be updated annually and actions to be reviewed quarterly by the Workforce Planning Working Group.

Principle F:			
Managing risks and performance through robust internal control and strong public financial management			
Supporting Principle	**Requirement**	**Further Action Required**	
3. Robust internal control	3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place	Update Information Security Policy and Anti-Money Laundering policy by March 2019 - Murray Husband and Margaret McCrossan.	**COMPLETE** The update to the Information Security Policy is now complete. The Anti-Money Laundering policy was approved by Cabinet on 16 August 2018 with finalised training due to be rolled out to key members of staff over summer 2019. These staff will in turn roll out the training to their teams.
	3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place	Undertake further work to review counter fraud and anti-corruption arrangements to ensure these are in line with the CIPFA "Code of Practice on Managing the Risk of Fraud and Corruption" by March 2019 – Gill Darbyshire.	**ONGOING** A new "Anti-Fraud, Bribery and Theft" Strategy has been prepared in line with the CIPFA "Code of Practice on Managing the Risk of Fraud and Corruption" and is due to be considered by CMT on 21 May 2019. An annual report on fraud will be submitted for approval in 2020 to ensure full compliance.
5. Strong public financial management	5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Procure new Finance, Procurement, Payroll & HR system by March 2019 – Richard Morrison.	**COMPLETE** The new system was procured and contract awarded by March 2019.
Principle G:			
Implementing good practices in transparency, reporting, and audit to deliver effective accountability			
3. Assurance and effective accountability	3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Co-ordinate our approach to the development of key corporate plans with the use and management of our finances, resources, assets and workforce and incorporate this into our future strategic planning and budgeting arrangements by December 2018 – Louise Pringle.	**COMPLETE** Co-ordinated approach completed and reported to Cabinet as part of Best Value Assurance recommendations in April 2018 and 2019. Report submitted to Council in October 2018 outlining medium and long term strategies and their strategic links.

			Senior management workshop session on our Vision for the Future hosted by the Chief Executive in November 2018. New approach to service business planning introduced in 2018 and being rolled out over 2019. Outcome Delivery Plan for 2018-21 approved in May 2018 and Community Plan including Fairer East Ren (Local Outcome Improvement Plan) approved in June 2018. Workforce Plan linked to strategic plans and long term Financial Plan approved in February 2019.

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