

Report for Information

Report to Audit Committee
 22 June 2009

Report of Head of Finance

Subject Annual Governance Statement 2008/09

Purpose

Members are asked to approve the annual governance statement for 2008/09 and the plans to address the significant issues within it

Recommendations

To:

- (1) note the report;
- (2) approve the annual governance statement for 2008/09 and the plans to address significant issues referred to within it.

Financial Consequences

The financial consequences of this report are none directly, but the governance statement refers to action plans to improve internal control and financial management throughout the council.

Strategic Objective/Service Priorities

The report helps to achieve the strategic priority “Aiming for excellence – ensuring the Council is efficient in its use of resources, is effective in delivering its plans, is a good employer and communicates effectively with its customers, staff and partners”

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Background Documents

Audit Committee 26 March 2009 – Progress on Annual Governance Statement 2008/09

Report

Background

1. One of the requirements in the Accounts and Audit (Amendment) (England) Regulations 2006 is for the reporting of an annual governance statement (AGS) for 2008/09. The governance statement provides public assurance that the council's governance framework is adequate and effective.
2. In 2001 CIPFA and SOLACE produced a framework of good governance for use in local government. The framework recommended that local authorities review their existing governance arrangements and report annually on their effectiveness in practice.
3. Using the principles in section 3 of the framework the council adopted a revised code of governance in October 2008
4. The requirement to publish an annual governance statement means that the council has to review and report on the extent to which it complies with its code of governance.
5. Following its review of the process for preparing the governance statement for 2007/08, the Audit Commission's annual governance report recommended improvements for preparing and approving the statement.
6. To address the Audit Commission's concerns a progress report and supporting evidence to date was presented to this committee on 26 March 2009. The draft statement and supporting evidence has also been considered by the council's corporate management team resulting in some amendments.
7. The framework also states that approval of the statement separately from the accounts will help to ensure its robustness and reinforce its corporate standing.
8. The annual governance statement is published as part of the statement of accounts, which will be presented to audit committee on 25 June.

The Annual Governance Statement

9. The annual governance statement for 2008/09 is shown at annex 1.
10. The statement includes a section on the significant governance issues that have been identified and the actions taken or proposed to deal with them.
11. In some cases the significant issues have been previously identified and reported upon, including detailed action plans. Where this is the case, rather than repeat the detail, there are links (underlined) in the statement to the relevant reports and actions which can be found on the council's website. This allows members to review some of the significant issues in more detail should you require. As the governance statement has to be signed by the leader and chief executive these will not appear as links in the printed version.

12. The format and contents follow the guidance in the CIPFA/SOLACE framework. It also complies with the requirements of the CIPFA Statement of Recommended Practice (SORP), which for information is shown at annex 2.
13. Annex 3 shows the evidence that has been compiled to support the review of governance arrangements. The first two columns repeat the wording in the council's code of governance. The third column is CIPFA/SOLACE's suggestions for supporting evidence (these have been taken from section 5 of the guidance document which accompanies the framework). The fourth column shows which documents have been used to assess our compliance with the code. The final column shows if there are any significant gaps.
14. Annex 4 shows the progress made on the action plan to address the significant issues from the 2007/08 governance statement. It shows the action already taken as at June 2008, action proposed in 2008/09, and the updated position as at June 2009. Any areas where sufficient progress has not been made are referred to on the final page of the governance statement.

The Annual Review of Effectiveness of Governance

15. The framework requires that the council should undertake regular, at least annual, reviews of its governance arrangements to ensure continuing compliance with best practice as set out in the framework. It is important that such reviews are reported on both within the council, in our case to audit committee, and externally with the published accounts, to provide assurance that:

- Governance arrangements are adequate and operating effectively in practice, or
- Where reviews of the arrangements have revealed gaps, action is planned that will ensure effective governance in future.

16. The Audit Commission has commented that,

“..authorities need to recognise that this is a corporate issue, affecting everyone in the organisation. It is also important to recognise that the purpose of the annual governance statement is not just to be ‘compliant’, but also to provide an accurate representation of the arrangements in place during the year and to highlight those areas where improvement is required. This will also demonstrate to stakeholders what those arrangements are.”

They go on to comment that, “As part of their use of resources assessments auditors will consider the arrangements in place to enable the preparation of the annual governance statement, including the degree to which the authority recognises the corporate ownership of its governance arrangements.”

References

CIPFA and SOLACE framework document and guidance note for ‘Delivering Good Governance in Local Government’

Annual Governance Statement 2008-09

1. Scope of responsibility

Norwich City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Norwich City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Norwich City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

In October 2008 Norwich City Council approved and adopted an updated code of governance which is consistent with the principles of the CIPFA/ SOLACE Framework *Delivering Good Governance in Local Government*. The code forms appendix 20a of the council's constitution which is on the council's website at www.norwich.gov.uk.

This statement explains how Norwich City Council has complied with the principles of the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Norwich City Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Norwich City Council for the year ended 31 March 2009 and up to the date of the approval of the statement of accounts.

3. The governance framework

The council's code of governance recognises that effective governance is achieved through the following core principles:

- Focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

The following is a brief description of the key elements of the systems and processes that comprise the council's governance arrangements:

- Identifying and communicating the council's vision of its purpose and intended outcomes for citizens and service users:

The council has a clear vision of what it is trying to achieve, as set out in the Corporate Plan 2008-10, which is due to be reviewed in September 2009 (see below). The City of Norwich Partnership brings together a range of key public, private and voluntary organisations to decide on an overall vision and priorities for the city.

The Sustainable Community Strategy, which sets out long-term plans to improve the quality of life for local people, will be delivered and monitored by the City of Norwich Partnership. The strategy sets out the vision, themes and strategic objectives that meet the priorities of the people in Norwich.

- Reviewing the council's vision and its implications for the authority's governance arrangements:

A report was presented to executive in March 2008 which reviewed progress against the Corporate Plan in 2007-08 and agreed the process for corporate planning for 2008 - 10.

Since then, in response to the economic downturn, resultant budget gap, and to improve services, executive agreed in April 2009 to set up a corporate improvement and efficiency board. The board will carry out a fundamental review of the vision, priorities and organisational principles of the council, implement savings of £8m., and put in place a programme of service improvements.

This review will culminate in the publication of a range of new strategic documents and plans by the end of September 2009, including a new Corporate Plan for the period 2009 – 2011.

- Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources:

Performance management in the council continues to be improved with a more focussed corporate plan setting out priorities and supported by a strategic management framework. The council has performance management arrangements in place to monitor and report on progress; specifically the performance management improvement board has taken the leading role in overseeing improvement plans, monitoring progress and initiating corrective action where performance has slipped.

As mentioned above, performance management and service quality will in future be reviewed by the new corporate improvement and efficiency board.

- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication:

The council's constitution sets out how the council operates, and contains separate articles and appendices covering executive, non-executive, scrutiny and officer functions. In addition, there are separate appendices covering the scheme of delegations to officers and the protocol for member/officer working arrangements.

- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff:

In 2007 the council adopted the new model code of conduct for local authority members, which includes the ten general principles of standards in public life.

There is a separate code of conduct for staff which is supported by HR policies and procedures. New staff are given a copy of the code of conduct and other key policies, and there are regular reminders to staff regarding compliance with the codes. Staff are expected to confirm that they have read the code of conduct and other key policies.

- Reviewing and updating standing orders, financial regulations, the scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

The head of legal and democratic services (as the council's monitoring officer) is responsible for regularly reviewing and keeping up to date the council's constitution in conjunction with the corporate governance group. Proposals for changes are discussed by members at the constitution working party, before being approved by executive and council if necessary.

Standing orders, financial regulations and the scheme of delegation were last updated by full Council in March 2008.

- Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities:

The council has had an audit committee since 2007, with terms of reference covering internal and external audit, risk management, accounts, corporate governance and internal control arrangements, and anti-fraud and corruption arrangements.

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

The monitoring officer is responsible for advising whether decisions of the executive are in accordance with the budget and policy framework.

In relation to an executive function, the monitoring officer and head of finance (as chief finance officer) have responsibility for ensuring that all proposals, decisions and actions incurring expenditure are lawful.

Policies are subject to regular review and are available on the council intranet. Managers within the council are responsible for putting in place systems of control to ensure compliance with policies, procedures, laws and regulations. Officer responsibilities and actions are controlled through individual departmental authorisations under the scheme of delegations.

- Whistleblowing and for receiving and investigating complaints from the public.

The council has a whistleblowing policy which is accessible via the intranet and council website. For the public there is also a complaints procedure which can be accessed via the council website, plus an online form for reporting all types of suspected fraud, e.g. housing benefit fraud, insurance fraud:

- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

Members: A focus group of members, one from each political group, meets to agree members' training and development plan at the beginning of each civic year. It also reviews progress periodically.

The council has also signed up to work towards the EERA Members Development Charter and through this process will prepare personal development plans for each member.

Senior officers: The council has implemented a leadership for managers programme which is being delivered in two ways. Firstly, there are regular seminars covering relevant subjects to which all managers and team leaders are invited. Secondly, managers have attended a 'developing manager' programme which is designed to build on existing skills and abilities. There is also an annual staff appraisal system through which development and training needs for all staff are identified.

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

The tenant participation compact is an agreement between the council and tenants, which includes council leaseholders. The compact sets out how the council involves tenants and leaseholders, to encourage participation in local decision-making affecting homes and communities.

The Tenants' CityWide Board is a council tenant consultation board in Norwich which aims to work with the council, tenants and leaseholders to develop tenant participation in the council's housing services. All council tenants and leaseholders regularly receive Tenant Talk magazine. As a result of the recent inspection of landlord services by the Audit Commission, membership of the new Housing Improvement Board will include tenant representatives.

In 2007 executive approved a customer contact strategy to manage, improve and develop customer services. It includes details of how we will involve our customers in our service delivery.

The council has also developed a community engagement strategy and communications strategy.

- Incorporating good governance arrangements in respect of partnerships and reflecting these in the council's overall governance arrangements:

The council demonstrates a strong commitment to working in partnership with other agencies to deliver priority outcomes and ensure that this partnership activity provides value for money and added value.

All key partnerships have been identified and are included in the partnership register. A corporate governance framework and toolkit has been developed for use by all key partnerships, to ensure that effective governance and risk management arrangements are in place.

The governance arrangements for key partnerships are kept under review and the results are reported to executive, together with an assessment of the effectiveness of the council's involvement in partnerships.

- Risk management:

Key strategic risks that may impact on the council's priorities have been identified and included in the strategic risk register, which is kept under review and updated as necessary by corporate management team and the audit committee. During 2008-09 the council improved its risk management arrangements in relation to strategic, service and project risks.

Operational risks are reviewed annually as part of the service and financial planning process and are included in service plans which are reviewed by executive and scrutiny committee.

4. Review of effectiveness

Norwich City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the work of internal audit and the audit manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The council has undertaken a review of its governance framework in accordance with best practice advice as published by CIFPA/SOLACE in meeting the requirements of the Accounts and Audit Regulations 2006.

Some improvements to the governance framework were not in place for the whole of 2008/09 therefore the benefits will not be apparent until 2009/10.

The following have roles in maintaining and reviewing the effectiveness of the governance framework:

The authority and the executive

The executive approves the medium term financial strategy which provides the financial structure for annual service planning and budget setting.

The executive and scrutiny committee review service plans to ensure that they deliver the council's priorities identified in the corporate plan.

Quarterly performance monitoring reports are presented to scrutiny committee and executive – executive also receive budget monitoring reports.

The performance monitoring reports are very comprehensive, covering achievement against the council's short-term priority actions and projects detailed in the corporate plan 2008/10; performance measures; performance of CityCare and Steria contracts; and Audit Commission inspection recommendations.

One of the results of the delivery of the Norwich improvement plan was the launch of the aiming for excellence programme, with a performance management and improvement board set up to monitor nearly 50 areas of activity.

In April 2009 executive agreed to refresh the aiming for excellence programme, establish a corporate improvement and efficiency board to oversee and drive the corporate transformation programme, and set up a housing improvement board in response to the latest Audit Commission inspection of landlord services.

The council's constitution working party recommends any changes to the constitution to executive and council. During 2008/09 the council's code of governance, anti-fraud and corruption strategy and whistleblowing policy were all revised and are now on the council's website.

The scrutiny committee

The overview and scrutiny function is exercised by the scrutiny committee. Procedure rules and terms of reference include the general remit to maintain an overview of the discharge of the council's executive functions, the right to review council policies, and to consider service plans. An annual report on the work of scrutiny committee in 2008/09 will be presented to full council in July 2009.

The audit committee

The council has an audit committee with terms of reference which cover internal and external audit matters, risk management arrangements, internal control arrangements including the annual governance statement, anti-fraud and corruption arrangements, corporate governance, and accounts.

The committee receives reports on the work of internal audit, including the audit manager's annual report, and external audit reports. It also reviews the evidence which supports the preparation of the annual governance statement and approves the statement.

The standards committee

The council has a standards committee with terms of reference to promote and maintain high standards of conduct by members and co-opted members of the council and to assist members and co-opted members to observe the council's code of conduct. Members receive regular reports, including an annual report on the governance areas that are the responsibility of the council's monitoring officer.

Internal audit

Internal audit is an in-house assurance function that provides an independent and objective opinion to the council on the control environment. The objectives of internal audit have been set out in terms of reference which have been approved by the audit committee. If additional resources or technical expertise is required the internal audit function can be supplemented by external suppliers.

The audit manager's annual report to the audit committee includes an opinion on the overall adequacy and effectiveness of the council's control environment.

Corporate governance group

This is an internal officer group chaired by the deputy chief executive which is responsible for reviewing all aspects of the council's governance arrangements. Membership of the group includes the council's monitoring officer, head of finance, head of HR & learning, and head of procurement and service improvement.

Other explicit review/assurance mechanisms

Examples are the Audit Commission's findings and recommendations relating to audit, inspections and use of resources assessments, and the review of landlord services by Housing Quality Network (HQN).

5. Significant governance issues

The following is an outline of the significant issues arising from the review of effectiveness and the actions taken or proposed to deal with them:

Audit Commission annual audit and inspection letter 2007/08

Each year the Audit Commission publishes an annual audit letter which provides an overall summary of their assessment of the council and areas where the council needs to improve its performance.

The letter, which was reported to executive on 8 April 2009, shows that the council has made progress in a number of areas, notably financial management, but performance in some key service areas remains modest.

The Audit Commission recommended that the City Council should:

- ensure that the recommendations made in the Appointed Auditor's Annual Governance Report and Addendum are implemented;
- continue to drive forward the Council's improvement programme to address areas of poorer performance; and
- address the issues necessary to improve the Council's use of resources assessment and the value for money conclusion.

The council's response to both the performance issues raised by the Audit Commission and the effects of the economic downturn on the council's budget are further explained in the following sections. Specifically, audit committee approved an action plan to address the recommendations in the annual governance report, and executive approved the establishment of the corporate improvement and efficiency board to drive forward the transformation agenda.

Audit Commission annual governance report 2007/08

The report was considered in detail at audit committee 29 January 2009. The report acknowledged that there had been improvements since the accounts were disclaimed in 2006/07, but due to the level of amendments required during the 2007/08 audit a significant improvement was still required for the production of the 2008/09 accounts. The financial statements were qualified in one area because there were unresolved problems with comparative cash flow data.

With regard to value for money, the report concluded that the council had made some progress in its use of resources, but that weaknesses remain in three areas. Therefore the value for money opinion was qualified because the council did not put in place: arrangements to maintain a sound system of internal control; a medium term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities; and arrangements to manage performance against budgets.

A detailed action plan to address all the recommendations in the report was approved by audit committee at the same meeting; see [Audit Committee 29 Jan 2009: Annual Governance Report Addendum, Appendix 2](#).

Audit Commission use of resources assessment

For the purposes of the comprehensive performance assessment (CPA) the Audit Commission assessed the council's arrangements for use of resources as level 2 for 2007/08.

From 2008/09, as part of the comprehensive area assessment (CAA), the use of resources will be assessed against the three themes of managing finances, governing the business, and managing resources. There will be more emphasis on performance and outcomes, with level 2 the minimum standard expected. Once the council receives the results of the assessment for 2008/09 there will be further work around improving the governance framework.

Audit Commission inspection – planning service

The inspection results were published in August 2008. The inspection found that the planning service was 'fair' with 'uncertain' prospects for improvement. There were a number of weaknesses with the service, including low satisfaction; service standards are not in place; planning enforcement function is reactive and under-resourced; and the speed with which applications are determined remains below Government expectations. To address these issues, executive approved the implementation of stage 2 of the planning improvement plan, details of which can be found at [Executive 12 Nov 2008: Planning Improvement Plan Phase 2](#)

Audit Commission inspection – landlord services

The inspection results were published in April 2009. The inspection found that the landlord service was 'poor' with 'uncertain' prospects for improvement. There were a number of weaknesses with the service, in particular the council has not involved tenants in many of the decisions that it makes; the approach to ensuring that all services can be accessed fairly is weak; and performance management and value for money are not embedded. To address the issues, executive approved the implementation of the housing improvement plan; see [Executive 22 Apr 2009: Housing Improvement Plan](#). The plan includes the establishment of a housing improvement board; regular progress reports to scrutiny committee; and the setting up of six work streams to implement the plan. The plan itself has nearly 60 individual action points and several of these are major areas of work. It is a two year programme that aims to achieve the equivalent of a minimum of 1 star by the end of 2009/10 and a 2 star service by the end of 2010/11. The council's response to the inspection is also on the Audit Commission's website; see www.audit-commission.gov.uk.

Response to the economic downturn

Financial modelling indicates that the council could face an adverse impact of several million pounds as a result of the worsening economic climate. As set out during the process of setting the 2009/10 budget, work will be undertaken during the next financial year (supported by use of reserves) to ensure that the council can maintain a prudent level of balances over future years

In the light of the current financial climate the council reviewed its medium term financial strategy (MTFS) in order to provide a framework to plan and manage its resources while maintaining council services. A new corporate efficiency and improvement board has been set up to review and implement a fundamental transformation programme, which by the end of July 2009 should result in a new MTFS, a new corporate plan, a transformation strategy and a workforce strategy. Further details can be found in the report to executive; see [Executive 8 Apr 2009: MTFS and Corporate Improvement and Efficiency Framework](#).

Greyhound Opening sheltered housing decommissioning

This was a well-publicised case where staff, including a senior member of staff in housing, were renting units that were due to be decommissioned. The chief executive instigated an investigation and commissioned reports from the monitoring officer and the director of regeneration and development. The results were reported to executive in January 2009; see [Executive 7 Jan 2009: Results of Investigation Greyhound Opening](#). The council also commissioned an independent review of the investigation, which was carried out by Phil Watson CBE, a former chief executive of Blackburn with Darwen Council. As a result of the recommendations made by the monitoring officer and Mr. Watson, executive approved a detailed action plan; see [Executive 4 Feb 2009: Recommendations Greyhound Opening](#). Progress against the action plan was included in the report to executive on the housing improvement plan; see [Executive 22 Apr 2009: Housing Improvement Plan](#). Also, the Audit Commission carried out an unplanned review of the council's allocation scheme (also reported to executive 22 April 2009) and made several key recommendations, which will be addressed through the housing improvement plan.

Local government review

The council is engaged in a review of local government in Norfolk, through which the Boundary Committee will recommend the most appropriate structure for Norfolk. The Boundary Committee announcement is expected in July 2009, but a final decision on new structures may not be made until late 2009. If a new structure is recommended the implications of the transition are potentially significant in terms of delivering the council's priorities and maintaining service standards.

Internal audit

In their Annual Governance Report 2007/08 the Audit Commission commented on the diversion of internal audit resources to non-audit work, particularly NELM grant claims, and the subsequent impact on the internal audit plan, which was not achieved in 2007/08. External resources were commissioned in 2008/09 to address this problem, and the audit plan was substantially completed. As this is an ongoing issue, internal audit resources will be closely monitored to ensure that any risk to the completion of the 2009/10 audit plan is effectively managed.

A number of key audit reviews during 2009/10 were only able to provide limited assurance on the adequacy and effectiveness of the internal control environment. For this reason the audit manager's opinion that will be reported to audit committee is one of 'limited assurance', although the audit manager is satisfied that if all recommendations are implemented this will adequately address the issues.

Asset management

An audit review of asset management found several significant weaknesses, particularly in relation to the lack of funding for the approved investment strategy and the systems used to manage the council's assets. The council is currently considering its response to the recommendations, which will be reported to audit committee once agreed.

International Financial Reporting Standard (IFRS)

This is a significant issue which will impact on the council's financial and management processing, and for the way in which the council prepares and presents its accounts. Staff in finance have received training and an initial implementation plan has been drafted. The council has commissioned external experts to provide support to finance staff and, after completion of the accounts, provide an impact assessment for the introduction of IFRS, leading to an implementation plan for the next phase of the transition project.

Progress on the action plan from the previous governance statement

Actions taken to address the significant issues from the previous governance statement are substantially complete. The following issues are still in progress:

- Grant claims relating to NELM going back to 2004/05 are still being audited. Council staff are working closely with NELM and the Audit Commission to resolve all the outstanding issues.
- Some elements of business continuity planning are not embedded across the council. Significant progress has been made, and the temporary emergency planning officer has met with all heads of service to ensure that each service's disaster recovery plans fit into the corporate business continuity plan. A plan exists for relocating core systems, including customer contact, and this is regularly tested in conjunction with Steria. Business continuity is a standing item on the agenda of the data security forum. The council has an up to date flu pandemic plan which has been invoked due to the current global outbreak.
- Not all staff have confirmed that they have read the code of conduct and other policies. This has been escalated to the corporate management team, and is currently being addressed in conjunction with managers.

6. Statement by Leader and Chief Executive

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Leading Member

Chief Executive

on behalf of Norwich City Council.

Code of Practice on Local Authority Accounting in the UK:

Statement of Recommended Practice (SORP)

Information to be included in the Annual Governance Statement

- a) An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control).
- b) An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide.
- c) A brief description of the key elements of the governance framework, including reference to group activities where the activities are significant.
- d) A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of the authority; the executive; the audit committee/overview and scrutiny committee/risk management committee; standards committee; internal audit and other explicit reviews/assurance mechanisms.
- e) An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

It is important to recognise that the governance statement covers all significant corporate systems, processes and controls, spanning the whole range of an authority's activities, including in particular those designed to ensure that:

- the authority's policies are implemented in practice
- high-quality services are delivered efficiently and effectively
- the authority's values and ethical standards are met
- laws and regulations are complied with
- required processes are adhered to
- performance statements and other published information are accurate and reliable
- human, financial and other resources are managed efficiently and effectively

The governance statement should be approved at a meeting of the authority or delegated committee and signed by the chief executive and a leading member.

Annual Governance Statement 2008/09 – Evidence of Compliance with Code of Governance

1. FOCUSING ON THE PURPOSE OF THE COUNCIL AND ON OUTCOMES FOR THE LOCAL COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users 	<ul style="list-style-type: none"> develop and promote the council's purpose and vision 	<ul style="list-style-type: none"> used as a basis for: <ul style="list-style-type: none"> corporate and service planning shaping the community strategy local area or performance agreements 	'Norfolk Ambition' local area agreement (countywide strategy) 'A New Vision for Norwich' (the sustainable community strategy) City of Norwich Partnership (CoNP) (statutory local strategic partnership) CoNP Delivery Board Corporate Plan 2008-10 Report to Executive 18 Feb 09 - Service Plans 2009/10	
	<ul style="list-style-type: none"> review on a regular basis the council's vision for the local area and it's impact on the council's governance arrangements 	<ul style="list-style-type: none"> review process governance code 	<p>Last year's report to Executive in March 08: Review of Corporate Plan 2007-08 and Corporate Planning 2008-9 and 2009-10</p> <p>A report went to Executive 8 April 09 which linked the Medium Term Financial Strategy to the need to review the Corporate Plan (by Sept 09) and Service Plans (by Oct 09). Executive 8 April 09</p> <p>Constitution Appendix 20A - Code of Governance</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	<ul style="list-style-type: none"> ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties 	<ul style="list-style-type: none"> partnership protocol governance code 	<p>Report to Executive 29 Oct 08 - Corporate governance framework for partnership working</p> <p>Update to Exec 8 April 09: Annual Partnership Review, including partnership register, risk register and governance framework.</p> <p>Will be a standing item on DMTs and managers' briefings in future</p> <p>Constitution - Appendix 20A - Code of Governance (includes governance in relation to partnership working)</p>	
	<ul style="list-style-type: none"> publish an annual report on a timely basis to communicate the council's activities and achievements, its financial position and performance 	<ul style="list-style-type: none"> annual financial statements annual business plan 	<p>Insert links once published</p> <p>New Corporate Plan by Sept 09</p> <p>Report to Executive 27 May 09: Quarter Four Performance Monitoring 0809, including NI results.</p>	
<ul style="list-style-type: none"> Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning 	<ul style="list-style-type: none"> decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available 	<ul style="list-style-type: none"> this information is reflected in the council's: <ul style="list-style-type: none"> corporate plan annual business plan medium-term financial strategy resourcing plan in order to ensure improvement 	<p>Corporate Plan 2008-10 – to be reviewed by Sept 09 .</p> <p>Executive July 07: Medium Term Financial Strategy 2007/08 - 2011/12 – under continuous review, but formally updated at Executive 8 April 09</p> <p>People Strategy New Workforce Strategy by end Sept 09</p> <p>CityCare Joint Management Board</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
			Steria service review and contract/programme boards	
	<ul style="list-style-type: none"> put in place effective arrangements to identify and deal with failure in service delivery 	<ul style="list-style-type: none"> complaints procedure 	Council services: comments, compliments and complaints All complaints captured, analysed and circulated to service areas for action	
<ul style="list-style-type: none"> Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money 	<ul style="list-style-type: none"> decide how value for money is to be measured and make sure that the council or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions 	<ul style="list-style-type: none"> the results are reflected in council's performance plans and in reviewing the work of the council 	<ul style="list-style-type: none"> PMIB Performance reports Aiming for excellence – to be refreshed in 2009/10 UoR – VFM AES: During 2008/09 the Council has continued to implement its Star Chamber process in order to allocate resources in support of corporate priorities and improve value for money, as well as strengthening its procurement function to maximise procurement efficiencies. MTFS, budget gap and corporate transformation programme reported to Executive 8 April 09 Environmental Strategy – progress monitored regularly by climate change panel Supplementary planning document - Energy Efficiency Private Sector Renewals Strategy - section 6: Affordable Warmth and Energy Efficiency 	

2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Ensuring effective leadership throughout the council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function 	<ul style="list-style-type: none"> set out clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the council's approach towards putting this into practice 	<ul style="list-style-type: none"> constitution record of decisions and supporting materials 	Constitution Particularly Articles 7 (The Executive) & 13 (Decision Making) Agendas, reports and minutes are available on the council website. Signed minute books are held in legal and democratic services. Appendix 7 of the constitution (Access to Information Procedure Rules) states that reports and minutes will be made available to the public for six years after a meeting.	
	<ul style="list-style-type: none"> set out a clear statement of the respective roles and responsibilities of other council members, members generally and senior officers 	<ul style="list-style-type: none"> constitution 	Constitution Particularly Articles 2 (Members of the Council) & 12 (Officers)	
<ul style="list-style-type: none"> Ensuring that a constructive working relationship exists between council members and officers and that the responsibilities of members and 	<ul style="list-style-type: none"> determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the council, 	<ul style="list-style-type: none"> constitution 	Constitution Particularly Articles 4 (The Council) and 13 (Decision Making), and Appendix 3 (Powers Reserved to the Council) Constitution Appendix 8 (Scheme of Delegations to Officers)	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
officers are carried out to a high standard	taking account of relevant legislation, and ensure that it is monitored and updated when required			
	<ul style="list-style-type: none"> make a chief executive or equivalent responsible and accountable to the council for all aspects of operational management 	<ul style="list-style-type: none"> conditions of employment scheme of delegation job descriptions/specification performance management system 	<p>See Local Govt. & Housing Act 1989, Section 4 (on file). Plus Constitution Article 12 (Officers), Appendix 9 (Statutory and Proper Officer Appointments)</p> <p>Constitution Appendix 8 (Scheme of Delegations to Officers)</p> <p>Job description and person spec</p> <p>Aiming for excellence to be refreshed and Corporate Improvement and Efficiency Board to be established: see Executive 8 April 09</p>	
	<ul style="list-style-type: none"> develop protocols to ensure that the leader and chief executive (or equivalents) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained 	<ul style="list-style-type: none"> new chief executive and leader pairing consider how best to establish and maintain effective communication 	<p>Chief exec weekly meeting with leader & deputy leader</p> <p>Meeting day after the election</p> <p>Annual appraisal</p> <p>Away days for Executive/CMT</p> <p>Constitution Appendix 15 (Protocol for Member/Officer Working Arrangements)</p>	
	<ul style="list-style-type: none"> make a senior officer (the S151 officer) responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping 	<ul style="list-style-type: none"> section 151 responsibilities statutory provision 	<p>Local Govt. Act 1972, Section 151. Plus Constitution Article 12 (Officers), Appendix 9 (Statutory and Proper Officer Appointments) & Appendix 10 (Financial Regulations)</p> <p>Executive July 07: Medium Term</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	proper financial records and accounts, and for maintaining an effective system of internal financial control	<ul style="list-style-type: none"> statutory reports budget documentation job description/specification 	Financial Strategy 2007/08 - 2011/12 Updated Executive 8 Apr 09 - MTFS and Corporate Improvement and Efficiency Framework Council meeting Feb 09 - Budget, Capital Strategy, Capital Programme, HRA Job description and person spec	
	<ul style="list-style-type: none"> make a senior officer (usually the monitoring officer) responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with 	<ul style="list-style-type: none"> monitoring officer provisions statutory provision job description/specification 	<p>See Local Govt. & Housing Act 1989, Section 5 (on file). Plus Constitution Article 12 & Appendix 9 & 10A</p> <p>Job description and person spec</p>	
<ul style="list-style-type: none"> Ensuring relationships between the council, its partners and the public are clear so that each knows what to expect of the other 	<ul style="list-style-type: none"> develop protocols to ensure effective communication between members and officers in their respective roles 	<ul style="list-style-type: none"> member/officer protocol 	Constitution Appendix 15 (Protocol for Member/Officer Working Arrangements)	
	<ul style="list-style-type: none"> set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable) 	<ul style="list-style-type: none"> pay ands conditions policies and practices 	<p>Members: The Local Authorities (Members' Allowances) (England) Regulations, 2003</p> <p>Constitution Appendix 16 (Members' Allowance Scheme)</p> <p>Independent panel reviews and reports to Council. Scheme amended in June</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
			<p>07: Members Allowances Scheme Updated report from Independent Panel to Council 31 March 09: Members Allowance Scheme</p> <p>Officers: NJC National Agreement on Pay & Conditions of Service (the “Green Book”) together with Local Agreements.</p>	
	<ul style="list-style-type: none"> ensure that effective mechanisms exist to monitor service delivery 	<ul style="list-style-type: none"> performance management system 	<p>PMIB Quarterly performance monitoring, eg Executive 18 Feb 09: Quarter 3 2008</p>	
	<ul style="list-style-type: none"> ensure that the organisation’s vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and they are clearly articulated and disseminated 	<ul style="list-style-type: none"> vision strategy corporate plans budgets performance plan/regime 	<p>Public budget consultation meetings 28 & 30 Jan 2009 – publicised on web site. Public budget consultation document 2009/10 Evidence of responses held in electronic folder plus some hard copies</p> <p>List of members of CoNP drawn from a wide spectrum of public, private and voluntary organisations. Members of the public can also subscribe to a web service which alerts them to new Strategic and Delivery Board meetings, reports and minutes.</p> <p>CoNP Communications Strategy 2008</p> <p>Norwich Tenants' CityWide Board and new Tenant Participation Compact sets out how the council involves tenants and leaseholders. Plus Tenant Talk magazine.</p> <p>City Council consultations page on website</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
			Citizen magazine Customer Contact Strategy Community Engagement Strategy to Exec 13 May 09 Communications strategy 2007-2010	
	<ul style="list-style-type: none"> when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the council when working in partnership: <ul style="list-style-type: none"> - ensure that there is clarity about the legal status of the partnership - ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisations to partnership decisions 	<ul style="list-style-type: none"> protocols for partnership working. For each significant partnership there is: <ul style="list-style-type: none"> - a clear statement of the partnership principles and objectives - clarity of each partner's role within the partnership - definition of roles of partnership board members - line management responsibilities for staff who support the partnership - a statement of funding sources for joint projects and clear accountability for proper financial administration - a protocol for dispute resolution with the partnership 	Report to Executive 29 Oct 08 - Corporate governance framework for partnership working Update report to CMT 18 Feb 09 and Annual Partnership Review to Executive 8 April 09.	

3. PROMOTING VALUES FOR THE COUNCIL AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Ensuring council members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance 	<ul style="list-style-type: none"> ensure that the council's leadership sets a tone for the organisation by creating a climate of openness, support and respect 		<p>The council is committed to ensuring the highest standards of conduct from staff and members. It has formally adopted the seven Nolan principles of standards in public life, and this is reflected in codes of conduct, the anti-fraud & corruption strategy, the code of governance and the CoNP Governance Framework.</p> <p>Annual Report of Monitoring Officer to Standards Cttee</p>	
	<ul style="list-style-type: none"> ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the council, its partners and the community are defined and communicated through codes of conduct and protocols 	<ul style="list-style-type: none"> members'/officers' codes of conduct performance management system performance appraisal 	<p>Constitution Appendix 13 (Members' Code of Conduct) Constitution Appendix 14 (Officers' Code of Conduct)</p> <p>Aiming for excellence to be refreshed and Corporate Improvement and Efficiency Board to be established: see Executive 8 April 09</p> <p>Appraisal System & Capability Procedure</p>	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
		<ul style="list-style-type: none"> complaints procedures anti-fraud and –corruption policy member/officer protocols 	Council services: comments, compliments and complaints Anti Fraud and Corruption strategy Constitution Appendix 15 (Protocol for Member/Officer Working Arrangements) CoNP Governance Framework and Members' Handbook	
	<ul style="list-style-type: none"> put in place arrangements to ensure that members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice 	<ul style="list-style-type: none"> standing orders codes of conduct financial regulations procurement strategy 	Constitution Appendix 11 (Standing Orders Relating to Contracts) Constitution Appendix 13 (Members' Code of Conduct) Constitution Appendix 14 (Officers' Code of Conduct) Constitution Appendix 10 (Financial Regulations) Procurement Strategy	
<ul style="list-style-type: none"> Ensuring that organisational values are put into practice and are effective 	<ul style="list-style-type: none"> develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate those with members, staff, the community and partners 	<ul style="list-style-type: none"> codes of conduct code of governance 	Constitution Appendix 13 (Members' Code of Conduct) Constitution Appendix 14 (Officers' Code of Conduct) Constitution - Appendix 20a (Code of Governance).	

Supporting principles	The code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	<ul style="list-style-type: none"> put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice 	<ul style="list-style-type: none"> codes of conduct Procurement Strategy 	Constitution App 13 (Members' Code of Conduct) Constitution App 14 (Officers' Code of Conduct) Annual Report of Monitoring Officer to Standards Committee July 2008 Procurement Strategy Ethics is a key element of procurement – see introduction to the Procurement Strategy and elsewhere in the document	
	<ul style="list-style-type: none"> develop and maintain an effective standards committee 	<ul style="list-style-type: none"> terms of reference regular reporting to the council 	Constitution Appendix 4 (Terms of Reference of Committees) Examples: Standards Committee meeting July 2008 ; April 2009	
	<ul style="list-style-type: none"> use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the council 	<ul style="list-style-type: none"> decision-making practices 	Constitution Articles 3 (The Public and the Council), 4 (The Council) & 13 (Decision Making) plus Appendix 3 (Powers Reserved to the Council) & 7 (Access to Information Procedure Rules)	
	<ul style="list-style-type: none"> in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively 	<ul style="list-style-type: none"> protocols for partnership working 	Report to Executive 29 Oct 08 - Corporate governance framework for partnership working Annual Partnership Review to Exec 8 April 09 CoNP Governance Framework and Members' Handbook	

4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny 	<ul style="list-style-type: none"> develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the council's performance overall and that of any organisation for which it is responsible 	<ul style="list-style-type: none"> scrutiny is supported by robust evidence and data analysis 	<p>Constitution Article 6 (Overview and Scrutiny Committees) & App 6 (Scrutiny Procedure Rules)</p> <p>Scrutiny consideration of budget papers and service plans 12 Feb 09: Budget Reports</p> <p>Work planning process reviewed 11/9/08: Scrutiny Work Programme</p>	
	<ul style="list-style-type: none"> develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based 	<ul style="list-style-type: none"> decision-making protocols record of decisions and supporting materials 	<p>Constitution Article 13 - Decision Making and Constitution App 1 - Council & Committee procedure rules</p> <p>Agendas, reports and minutes are available on the council website. Signed minute books are held in legal and democratic services. Appendix 7 of the constitution states that reports and minutes will be made available to the public for six years after a meeting.</p>	
	<ul style="list-style-type: none"> put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice 	<ul style="list-style-type: none"> members' code of conduct 	<p>Members code of conduct: Constitution App 13.</p> <p>Officers code of conduct: Constitution App 14.</p> <p>Declarations of interests at the start of all committee meetings.</p> <p>Forms to register interests and gifts and hospitality for staff available on</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
			<p>intranet and filed in legal services.</p> <p>Related party transaction declarations compared with registers of interests and included in statement of accounts.</p> <p>Regular reminders in Inner City, eg issue 46, June 2008; issue 81, March 2009.</p> <p>Need confirmation from all staff that code of conduct has been read – still outstanding – analysis reported to corporate management team for further action in conjunction with managers</p>	Yes
	<ul style="list-style-type: none"> develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee 	<ul style="list-style-type: none"> terms of reference & membership training for committee members 	<p>Constitution Article 17 Audit Committee</p> <p>IPF training, 9 June 08. See electronic evidence folder for details.</p> <p>ZM training on risk 23 March 09</p>	
	<ul style="list-style-type: none"> ensure that effective, transparent and accessible arrangements are in place for dealing with complaints 	<ul style="list-style-type: none"> complaints procedure arrangements for complaints against councillors 	<p>Council services: comments, compliments and complaints</p> <p>Report to Standards Committee 21 July 2008: Local Assessment of Complaints Against Councillors</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs 	<ul style="list-style-type: none"> ensure that those making decisions whether for the council or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of the technical issues and their implications 	<ul style="list-style-type: none"> members' inductions scheme training for committee chairs 	<p>As part of induction new members are given a Members' Information Pack. Latest version dated 2008. See Andy Emms for copy.</p> <p>Training and Development Programme for Councillors 2008/09 – see electronic evidence folder for details and dates.</p> <p>Five executive members booked on Leadership Academy in 2008. See also Legal Services service plan</p>	
	<ul style="list-style-type: none"> ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately 	<ul style="list-style-type: none"> record of decision making and support materials 	<p>All reports with financial implications contain comments from the section 151 officer.</p> <p>All reports are routinely forwarded to the Monitoring Officer and his staff by service areas and are reviewed for their legal and ethical implications. See also Annual Report of Monitoring Officer</p>	
<ul style="list-style-type: none"> Ensuring that an effective risk management system is in place 	<ul style="list-style-type: none"> ensure that risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their jobs 	<ul style="list-style-type: none"> risk management protocol financial standards and regulations 	<p>Risk Management Strategy</p> <p>Strategic Risk Register – reviewed by Leadership Group in Feb 09 and Audit Committee March 09: Strategic Risk Management Review</p> <p>ZM training for Audit Committee and portfolio holders 23 March 09</p> <p>Risk registers included in all service plans. See summary from latest service plans in Audit folder</p> <p>Financial Regulation C: Constitution App 10</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	<ul style="list-style-type: none"> ensure that arrangements are in place for whistle-blowing to which all staff and all those contracting with the council have access 	<ul style="list-style-type: none"> whistle-blowing policy 	Whistleblowing Policy revised Nov 2008 and on website and intranet: Whistleblowing policy . Publicised to staff in issue 81 of Inner City, March 09	
<ul style="list-style-type: none"> Using our legal powers to the full benefit of the citizens and communities in our area 	<ul style="list-style-type: none"> actively recognise the limits of lawful activity placed on us by, for example, the ultra vires doctrine but also to strive to utilise powers to the full benefit of their communities 	<ul style="list-style-type: none"> constitution monitoring officer provisions statutory provision 	Constitution - section 5 of Appendix 2 - Budget and Policy Framework Rules See Local Govt. & Housing Act 1989, Section 5. Plus Constitution 12 & Appendix 9 & 10A	
	<ul style="list-style-type: none"> recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law 		Annual Report of Monitoring Officer to Standards Cttee	
	<ul style="list-style-type: none"> observe all specific legislative requirements placed upon us, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decision-making processes 	<ul style="list-style-type: none"> monitoring officer provisions statutory provision job description/specification 	See Local Govt. & Housing Act 1989, Section 5. Plus Constitution Article 12 & Appendix 9 & 10A. Annual Report of Monitoring Officer to Standards Cttee Job description and person spec	

5. DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles 	<ul style="list-style-type: none"> provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis 	<ul style="list-style-type: none"> training and development plan induction courses update courses/information 	<p>Training and Development Programme for Councillors 2008/09 – see electronic evidence folder for details and dates. Handbook/Member Information Pack and induction for new members & staff. Training and development resources on the intranet: Learning</p> <p>Regular manager briefings, e.g: 10 Feb 09</p> <p>Learning & Development programme for managers</p>	
	<ul style="list-style-type: none"> ensure the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council 	<ul style="list-style-type: none"> job description/personal specifications membership of top management team 	<p>\\Sfil2\Shared folders\Human resources\Job descriptions-current</p> <p>Members of Leadership Group</p>	
<ul style="list-style-type: none"> Developing the capability of people with governance responsibilities and evaluating their performance, as 	<ul style="list-style-type: none"> assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively 	<ul style="list-style-type: none"> training development plan 	<p>Training and Development Programme for Councillors 2008/09 – see electronic evidence folder for details and dates. Appraisal system and development plans for staff</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
individuals and as a group	<ul style="list-style-type: none"> develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed 	<ul style="list-style-type: none"> training and development plan reflect requirements of a modern councillor including: <ul style="list-style-type: none"> the ability to scrutinise and challenge the ability to recognise when outside advice is required advice on how to act as an ambassador for the community leadership and influencing skills 	Training and Development Programme for Councillors 2008/09 – see electronic evidence folder for details and dates	
	<ul style="list-style-type: none"> ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs 	<ul style="list-style-type: none"> performance management system 	PMIB Performance reports Aiming for excellence Training and Development Programme for Councillors 2008/09 – see electronic evidence folder for details and dates	
<ul style="list-style-type: none"> Encouraging new talent for membership of the council so that best use can be made of individuals' skills and resources in balancing continuity and renewal 	<ul style="list-style-type: none"> ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the council 	<ul style="list-style-type: none"> strategic partnership framework stakeholders' forums' terms of reference area forums' roles and responsibilities residents' panel structure 	<p>Membership of CoNP and Delivery Boards</p> <p>Citizens Panel – see electronic evidence folder</p> <p>Norwich Tenants' CityWide Board and Tenant Participation Compact sets out how the council involves tenants and leaseholders. Plus Tenant Talk magazine.</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
			A new Housing Improvement Board has been established and includes tenant representatives – see Executive 13 May 09 . Will be assisted by newly established community engagement team. Community Engagement Strategy to Exec 13 May 09	Yes
	<ul style="list-style-type: none"> ensure that career structures are in place for members and officers to encourage participation and development 	<ul style="list-style-type: none"> succession planning 	Five executive members booked on Leadership Academy in 2008	

6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
<ul style="list-style-type: none"> Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including 	<ul style="list-style-type: none"> make clear to ourselves, all staff and the community, to whom we are accountable and for what 	<ul style="list-style-type: none"> community strategy 	City of Norwich Partnership (CoNP) Sustainable Community Strategy Corporate Plan 2008-10	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
partnerships, and develops constructive accountability relationships				
	<ul style="list-style-type: none"> consider those institutional stakeholders to whom the council is accountable and assess the effectiveness of the relationships and any changes required 		<p>City of Norwich Partnership provides mechanisms for taking account of needs of institutional stakeholders</p> <p>See links to Board Members and Delivery Board Members</p>	
	<ul style="list-style-type: none"> produce an annual report on the activity of the scrutiny function 	<ul style="list-style-type: none"> annual report 	<p>Will be presented to Scrutiny Committee 18 June 09 and full Council 21 July 09.</p>	
<ul style="list-style-type: none"> Taking an active and planned approach to dialogue with and the accountability to the public to ensure effective and appropriate service delivery whether directly by the council, in partnership or by commissioning 	<ul style="list-style-type: none"> ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively 	<ul style="list-style-type: none"> community strategy 	<p>Sustainable Community Strategy</p> <p>Communications strategy</p> <p>Customer Contact Strategy</p>	
	<ul style="list-style-type: none"> hold meetings in public unless there are good reasons for confidentiality 		<p>Constitution App 7 Access to Information Procedure Rules</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	<ul style="list-style-type: none"> ensure that arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing needs 	<ul style="list-style-type: none"> processes for dealing with competing demands within the community 	<p>Executive received an update on the council's Neighbourhood Strategy in Feb 08, the first stage of which is to develop a community engagement strategy. The first workshop for community groups was held on 25 Feb 08. Scrutiny received a briefing report 12 June 08: Community Engagement Strategy. The draft is now on the website for consultation: Consultation - Community Engagement Strategy</p> <p>Citizens Panel</p>	
	<ul style="list-style-type: none"> establish a clear policy on the types of issues we will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result 	<ul style="list-style-type: none"> partnership framework community strategy 	<p>City Council website - Consultations</p> <p>Community Engagement Strategy to Exec 13 May 09</p> <p>Communications strategy</p> <p>Public budget consultation document 2009/10</p>	
	<ul style="list-style-type: none"> on an annual basis, publish a performance plan giving information on the council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period 	<ul style="list-style-type: none"> annual report annual financial statements corporate plan annual business plan 	<p>Corporate Plan 2008-10 – to be updated by Sept 2009 - see Executive 8 April 09</p> <p>Audit Committee: Statement of Accounts y/e 31 March 2008</p> <p>Update when available</p>	

Supporting principles	The local code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	Evidence	Significant issue
	<ul style="list-style-type: none"> ensure that the council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so 	<ul style="list-style-type: none"> constitution 	Constitution App 7 Access to Information Procedure Rules Communications strategy Customer Contact Strategy	
<ul style="list-style-type: none"> Making best use of human resources by taking an active and planned approach to meet responsibility to staff 	<ul style="list-style-type: none"> develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making 	<ul style="list-style-type: none"> constitution 	<p>See HR policies handbook: B2 - Consultation procedure & B5 - Joint Consultative & Negotiating Committee</p> <p>Staff survey results 2008 and proposed actions: see intranet and hard copy on file. Also HR's Toolkit for change on the intranet.</p>	

Significant governance issues from 2007/08 annual governance review

The following in an outline of the actions taken, or proposed, to deal with significant governance issues arising from the review of effectiveness:

Issue	Action taken to date (as at June 2008)	Proposed actions 2008/09 and beyond	Position as at 11 June 09
1. Statement of accounts for 2006/07 disclaimed	<p>The council's response to the Section 11 notice and action plan from the Audit Commission's annual governance report were approved by executive in March 2008.</p> <p>An action plan in response to the recommendations in the Audit Commission's regularity report is substantially complete.</p> <p>Progress on the finance improvement programme was reported to audit committee in January 08.</p>	Fully implement the action plan in response to the annual governance report and the recommendations from the regularity report	Complete. (Some items in dispute and treatment in 08/09 a/cs needs to be considered.)
2. The council did not achieve the minimum standards for the use of resources in 2006/07	<p>To independently assess the progress the council has made during this last financial year and to give an up to date picture of the council's financial standing, PricewaterhouseCoopers were commissioned to assess the direction of travel and improvements made from 1 April 2007 – 31 December 07.</p> <p>The executive summary of the report was reported to audit committee in January 08.</p>	The actions set out in the PricewaterhouseCoopers report will be used to set out the financial improvement programme for 2008/9 (year 3), and progress with this will be reported to audit committee quarterly.	Complete. The council achieved level 2 for use of resources in 2007/08. However, basis has changed for 2008/09 as part of CAA – three themes and much more outcome based. Our self-assessment against the new key lines of enquiry has been submitted to the Audit Commission.
3. Grant claims for NELM going back to 2003/04 are still being audited	A considerable amount of staff time has been spent liaising with Audit Commission and Go East and compiling the necessary evidence to resolve the outstanding issues.	Continue working with Audit Commission and Go East to fully resolve all outstanding issues and minimise any future risks.	Ongoing. Claims up to 04/05 audited. 05/06 claim currently being audited. 06/07 claim should be audited in July 07/08 claim should be audited in August/September. 08/09 claim not due until 30 Sept. Has to be audited by end Dec 09.

Issue	Action taken to date (as at June 2008)	Proposed actions 2008/09 and beyond	Position as at 11 June 09
		A governance group comprising NELM and council officers has been set up and will meet quarterly to address governance issues. GO East will be invited to attend	Staff working closely with Audit Commission and NELM to resolve outstanding issues. All expenditure over £10k is now subject to approval by the Accountable Body.
4. Protocols and governance arrangements for all partnerships not fully implemented	<p>The City of Norwich Partnership (CoNP) role, structure and effectiveness were reviewed during 2006/07 using the Aspire 2 Perform toolkit.</p> <p>The delivery board has compared the CoNP priorities with the LAA indicators/targets and other indicator sets identified as important to Norwich. The partnerships team, with partners, is now working up delivery plans and negotiating targets where they do not currently exist. The plans themselves will progress the required improvements to performance management.</p> <p>In June 08 the strategic board endorsed the partnership improvement plan, and endorsed a CoNP communications strategy.</p> <p>The partnerships team is working on the development of the council's partnership governance policy which was reported to CMT in March 08, together with a partnership governance assessment for our most significant partnerships.</p>	<p>As part of the CoNP improvement plan, we will be seeking to strengthen the governance arrangements in 2008/09. Annual reviews will continue to assess performance & effectiveness and robust performance management arrangements will be developed with a performance management system to support this. This process will develop as part of the formal guidance which will be created under the council's partnership governance policy. This guidance will form a practical toolkit to be used by the council & its partners. It will also create templates for review of effectiveness and risk logs where necessary.</p>	<p>Complete.</p> <p>The governance framework and toolkit was approved by Executive in October 08.</p> <p>The annual partnership review was reported to Executive in April 09, and included the partnership register, risk register, governance evaluations and action plans.</p>

Issue	Action taken to date (as at June 2008)	Proposed actions 2008/09 and beyond	Position as at 11 June 09
<p>5. Business continuity planning is not embedded across the council. There is a draft business continuity plan, but it needs to be reviewed on a regular basis, with regular exercises.</p>	<p>The gold plan is complete and useable as an overarching plan, but is not yet fully supported by detailed continuity plans from service plans. City Hall evacuation plan is complete and able to be activated. Detailed plans have been drafted for a "table top" exercise based on closure of City Hall and customer contact centre - awaiting approval to proceed.</p>	<p>Ensure that corporate and service business continuity plans are fully integrated, regularly reviewed and a timetable for exercises is developed. Work continues to move forward on the implementation of a backup customer contact centre. Business continuity planning was reviewed by Bentley Jennison in August 08 and agreed recommendations will be implemented.</p>	<p>Ongoing.</p> <p>The corporate plan (gold) is complete and has been signed off. Work continues to develop departmental plans (silver), and is currently focused on recovering core systems to Lakenham, including customer contact. However, there is still no testing other than the joint disaster recovery exercises between NCC and Steria designed to relocate core systems to Lakenham.</p> <p>The temporary emergency planning officer has met with every head of service. Result will be each service will have a DR plan that will link to the corporate BCP.</p> <p>It has been agreed to retain the temporary emergency planning officer post for a further two years and second an emergency planning officer from Norfolk County Council.</p> <p>The council has a flu pandemic plan complete with scripting for relevant departments. The plan has been invoked given the current global situation, but at this stage involves mainly communication issues.</p>

Annex 4

Issue	Action taken to date (as at June 2008)	Proposed actions 2008/09 and beyond	Position as at 11 June 09
			<p>The review by Bentley Jennison is still in draft, but only gave limited assurance of the council's corporate business continuity arrangements. S Dowson to liaise with M Stephenson to finalise report. Agreed recommendations will be progressed.</p> <p>Business continuity is now a standing item on the data security forum agenda.</p>
6. Review internal audit resources to ensure that the audit plan for 2008/09 is met and that internal audit is effective	We have already outsourced audits of IT systems.	Consider resource options to ensure the audit plan for 2008/09 is met. By September 08	Substantially complete. PwC resources used to carry out a number of key internal audits.
7. The code of governance and whistleblowing policy are not yet approved and adopted	The proposed code of governance was presented to audit committee in March 08. The proposed whistleblowing policy has been agreed with HR and the monitoring officer. Consultation with UNISON is in progress.	Approve, adopt and publicise the new code of governance and whistleblowing policy. By October 08	Complete. Code of governance is App 20a of the Constitution. Whistleblowing policy is on intranet and website.
8. Not all staff have confirmed that they have read the code of conduct and other policies on Workforce	Staff have been regularly reminded about the code of conduct in the Inner City newsletter	HR to ensure that all staff sign up to the code of conduct and other policies on Workforce By October 08	Ongoing. This was escalated to the Corporate Governance Group for action. As a result, Systems Support produced a status report for every member of staff, a summary of which was considered by CMT. Asked for reminder to all staff and managers to follow up any gaps.