

AUDIT COMMITTEE

29 JUNE 2011

CORPORATE GOVERNANCE REPORT & ANNUAL GOVERNANCE STATEMENT
2010/11

REPORT OF CORPORATE GOVERNANCE GROUP

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RECENT REFERENCES:

[PS433](#) – Progress on 2010/11 Corporate Governance Review Action Plan, 24
January 2011

[PS428](#) Annual Governance Statement – Emerging Issues 2010/11 Update on
Progress, 18 October 2010

[SA9](#) Statement of Accounts & Annual Governance Report 2009/10, 14 September
2010

[CAB2022](#) – Corporate Governance Report and Annual Governance Statement –
2009/10, 14 June 2010

EXECUTIVE SUMMARY:

This report presents the results of the work conducted by the officer Corporate Governance Group including: the proposed Annual Governance Statement for 2010/11; the Local Code of Governance, and the Council's Self Assessment against the core principles of governance.

There is a Statutory requirement for a Committee of the Council, in this case the Audit Committee, to approve and publish an Annual Governance Statement each year, which will then be signed by the Leader of the Council and the Chief Executive, and included in the Statement of Accounts. It is appropriate for Audit Committee to consider whether the draft statement covers risk issues adequately. Cabinet is also asked to consider whether it wishes to raise any issues in relation to the Statement.

The Governance Group has reviewed all of the evidence relating to the governance and control systems in operation during the financial year and for the period to date. The regulations require that any items arising up to the date on which the Statement of Accounts is signed must also be reported, and this will be kept under review and reported to Committee as appropriate. The proposed future actions are identified in Section 5 of Appendix A.

RECOMMENDATIONS:

- 1 That the Audit Committee approves the Annual Governance Statement for 2010/11 as set out in Appendix A.
- 2 That the issues arising and proposed actions identified in Section 5 of Appendix A are noted, and that a monitoring report will be brought back to the Audit Committee in six months time.

AUDIT COMMITTEE

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CORPORATE GOVERNANCE REPORT & ANNUAL GOVERNANCE STATEMENT 2010/11

REPORT OF CORPORATE GOVERNANCE GROUP

1 Introduction

1.1 As set out in CAB2132, the role of the Audit Committee respect of the Annual Governance Statement is:

- To oversee the production of the Authority's Annual Governance Statement and to recommend its adoption.

2 Report

2.1 The Corporate Governance Group has undertaken the various governance tasks that were planned and prepared the following documents for review:

- a) The draft Annual Governance Statement for the year 2010/11;
- b) The Local Code of Governance, and
- c) A self assessment against the six elements of corporate governance in the CIPFA/SOLACE Governance framework, which has been reviewed by Internal Audit as part of the 2010/11 Annual Audit Plan.

2.2 These are appended (Appendices A - C). The content is self explanatory and is therefore not repeated in this report.

2.3 The officer Corporate Governance Group has the following membership:

Corporate Director (Governance) - Stephen Whetnall (Chair); Corporate Director (Operations) - Steve Tilbury; Head of Finance - Alexis Garlick; Internal Audit Manager - John Cummins; Assistant Director (Commissioning);- Jen Anderson, Principal Democratic Services Officer - Dave Shaw.

It will monitor progress throughout 2011/12 on the proposed actions identified in Section 5 of Appendix A. A monitoring report will also be brought to Audit Committee in six months time.

OTHER CONSIDERATIONS

3 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

3.1 Good Corporate Governance supports the achievement of the objectives of the Community Strategy and Change Plans.

4 Resource Implications:

4.1 No direct implications. Where further work is taking place, any additional resources required to implement improvements identified will be raised separately or through the budget process.

5. Risk Management Issues

5.1 The effectiveness of Corporate Governance within the Council is a principal ingredient to the organisation's objective of being an effective Community Leader. The efficacy of the governance arrangements directly affects the Council's ability to deliver its contribution to the objectives within the Community Strategy and Change Plans.

As a result, the actions and controls in implementing Corporate Governance is a key control and in the Council's arrangements to mitigate all its risks.

BACKGROUND DOCUMENTS:

Delivering Good Governance in Local Government (CIPFA/SOLACE framework);

Annual Assurance Statements prepared by individual Heads of Teams and Corporate Directors;

Internal Audit recommendations;

Internal Audit Annual Report;

The Council's Risk Management Policy, Risk Register and Monitoring Reports.

Internal Audit Working Papers on the review of the six core principles in the CIPFA/SOLACE Governance framework;

Annual Audit Letter for 2009/10.

APPENDICES:

Appendix A: Annual Governance Statement 2010/11 - draft

Appendix B: Local Code of Governance

Appendix C: Corporate Governance Self Assessment

ANNUAL GOVERNANCE STATEMENT 2010/11

1. Scope of Responsibility

Winchester 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, properly accounted for, and used economically, efficiently and effectively. Winchester 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, Winchester City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Winchester City Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

This statement explains how Winchester City Council has complied with 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 review of its system of internal control in accordance with best practice, and that the review be reported in an Annual Governance Statement.

2. The Purpose of the Governance Framework

The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community, is monitoring the achievement of these objectives through 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 Winchester 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 Winchester City Council for the year ended 31 March 2011 and up to the date of approval of the Statement of Accounts for the 2010/11 financial year.

3. The Governance Framework

The key elements of good governance are:-

- Focusing on the purpose of the authority and on outcomes for the local 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 authority 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 managed 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 Council's Performance Management Framework translates the needs of the community and requirements of Government, into cost effective local services designed to deliver the shared vision for the District (economic prosperity, a high quality environment and active communities) and meet statutory requirements.

The Council engages with its communities through a number of mechanisms, including community planning, consultation events, surveys and campaigns relating to specific initiatives. Building on the views expressed and evidence of needs and future trends, the Council has worked with partner organisations to agree a shared vision and set of aims and objectives for the District that is documented in the Winchester District Community Strategy 2010 - 2020.

The Council's Community Strategy is supplemented by more detailed information on the key projects and programmes of work that the authority will be delivering during the year – set out in the Change Plans. More detailed business and service plans are drawn up by each of the Council's Teams, with targets set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.

Progress against Business Plans and budgets is monitored regularly by the Corporate Management Team, The Performance Management Team, Senior Managers and Portfolio Holders. The Overview and Scrutiny committee receives quarterly reports focusing on delivery of key projects and programmes of work and

drawing attention to other areas where progress is exceeding, or falling short of targets.

The Council's performance management arrangements are regularly reviewed and were further developed in 2010/11 to better demonstrate progress against delivering the outcomes in the Winchester District Community Strategy and the Council's Change Plans. The National Performance Framework has been fully embedded in the Council's reporting mechanisms. The Council has an officer Performance Management Team to monitor and direct monthly financial performance, service performance, progress on key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit.

The Council publishes the Statement of Accounts annually within the statutory timescales. Accounting Statements incorporate the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

The Council is subject to independent audit by the Audit Commission and receives ad hoc and annual reports. The Council supplements this work with a small internal audit team and ad hoc external peer reviews. The Audit Committee undertakes these core functions.

The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of Cabinet, each committee and members and officers. The Council has approved a protocol governing relationships between members and officers as part of its Constitution and has adopted codes of conduct for both officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. All officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.

The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Cabinet /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website. In addition, senior officers of the Council can make some decisions under delegated authority. The over-arching policy of the Council is decided by the full Council. The Overview and Scrutiny Committee and Audit Committee hold Portfolio Holders to account for delivery of Council's policy framework within the agreed budget and protocols are in place for any departure from this to be properly examined.

Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the Data Protection and Freedom of Information Acts, and Equality requirements.

The Council has appointed the Head of Finance as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advise that the Chief Finance Officer should report directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other

members. Winchester's organisational model has a strategic Corporate Management Team of two Corporate Directors with responsibility for Operations and Governance, with the Head of Finance reporting to the latter. Membership of that Strategic Team is not determined by profession or qualification, nor does the Team's role require it be so.

In practice, the Head of Finance has been invited to all meetings of the Corporate Management Team where matters with financial implications are discussed, and her contribution on a broad range of matters has always been respected. The Chief Executive or Corporate Director (Governance) has ensured she is involved in any follow-up to matters discussed where appropriate – and in practice, as with most District Councils, the 'Leadership Team' is not simply confined to CMT but includes other senior officers as appropriate. The Head of Finance is also a member of the Council's Performance Management Team alongside the Chief Executive, Corporate Directors and Assistant Directors. She also receives copies of agendas for bi-monthly strategic CMT meetings and has an open invitation to attend.

The Council has appointed the Corporate Director (Governance) as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.

All Cabinet reports are reviewed by the Head of Finance and Monitoring Officer. All reports to Cabinet are required to demonstrate how the matter links to the Council's Community Strategy and Change Plans, and highlight resource implications. Officers are also asked to draw out risk, equality, sustainability, management and legal issues as appropriate. Similar procedures are in place for the Scrutiny and Regulatory Committees.

The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Standards Committee deals with complaints relating to the conduct of members.

Members' induction training is undertaken after each election. Members receive regular updates and training on developments in local government.

4. Review of Effectiveness

Winchester 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 process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements includes wide input:-

INPUTS TO THE ANNUAL GOVERNANCE STATEMENT



- **Managers and staff** have responsibility for the development and maintenance of a sound governance environment.
- **Elected members** are collectively responsible for the governance of the Council and the full Council is responsible for agreeing the Constitution, policy framework and budget.
- **Internal Audit's** remit includes the Council's entire control environment. The Internal Audit Manager takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives. The Internal Audit Plan is based on the Corporate Risks Register and identifies Internal Audit's contribution to the review of the

effectiveness of the control environment.. The process includes reports to the Audit Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together with reviews of whether agreed recommendations have been implemented. Internal Audit provides an annual opinion on the internal control environment and issues that should be included in this statement.

Part of this review process is an annual review report by the Internal Audit Manager of the effectiveness of the Council's internal audit function. In the light of feedback we have concluded that internal audit is an effective part of the Council's governance arrangements.

- **External Audit** provides an Annual Audit Letter, which includes a review of the Council's Annual Governance Statement and internal controls.
- **Corporate Directors, Assistant Directors and Heads of Teams** complete annual statements of assurance and implement action plans identified as a part of this process.
- **The Monitoring Officer** has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are followed. He also reviews this statement. Amendments to the Constitution are considered by Cabinet, The Overview and Scrutiny Committee, the Standards Committee and Council from time to time as required to reflect managerial and operational changes.
- An officer **Performance Management Team** is responsible for deploying risk management across the Council and the risk assessment of emerging issues, in addition to monitoring progress against Business Plans and budgets.
- An officer **Governance Group** co-ordinates the preparation of this statement and recommends the statement to the Corporate Management Team. The Group monitors compliance in the risk management arrangements and keeps the self-assessment of governance based on the Code of Corporate Governance under review.
- **The Corporate Management Team** reviews this statement and regularly deals with setting policy for risk management. It has a role in setting the culture and values, agreeing the Governance Framework, and implementing the framework throughout all its work.
- **The Audit Committee** monitors the internal control environment through receipt of audit reports and this Statement, and keeps an overview of arrangements for risk management. Acting as the Statement of Accounts Committee it also approves this Statement and the Statement of Accounts.
- The **Cabinet** manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.
- The **Leader and Chief Executive** sign this Statement.

5. Emerging Issues

There are a number of issues identified which significantly impact on the current and or future financial years. In identifying these issues, the Council has also stated how it plans to address them and the following plans have been integrated into the Council's performance management arrangements.

Issue	Action to be taken	Progress / Comments
Asset Management	Maintain an up to date Asset Management Plan and ensure that financial aspects of the Council's fixed assets are appropriately incorporated into the financial planning process, taking account of the possible impact of the current economic situation on the Council's properties.	Significant capital expenditure was incurred on the Council's fixed assets in 2010/11 including the completion of major works on the Guildhall Community facility. There are already a number of capital project approvals and work in progress including options for the depot and structural repairs required for Abbey Mill.
Setting and achieving priorities within the context of recession and reduced resources for local government.	<p>Continued improvement in consultation on Council priorities/budget.</p> <p>Improvement of links between corporate and departmental business planning, aligning departmental business plans to the Sustainable Community Strategy and Change Plans over a five year period.</p> <p>The financial strategy to be more effectively linked to asset, IT and human resource management.</p> <p>Effective Flexible Resource Management to achieve target savings.</p>	<p>In 2010/11 the Council's budgets were revised mid- year to cope with reduced Government funding.</p> <p>The Council set a Budget for 2011/12, in the context of a balanced 3 year medium term financial plan.</p> <p>The link between the Council's priorities and the SCS has been strengthened by the Change Plans introduced from 2011/12, and these will assist with further alignment.</p> <p>Employee cost savings targets for 2010/11 were achieved, and the "1team" approach is becoming embedded.</p>

Issue	Action to be taken	Progress / Comments
Shared Services	Continue to develop shared services where there is an efficiency or improvement led case for doing so.	<p>Council is developing a range of shared service projects including:</p> <ul style="list-style-type: none"> - Personnel services - Housing services (based on the Hampshire Home Choice service) - Regulatory services - Tourism - Museums services <p>Shared service already in place include IT, Revenues & Benefits and Internal Audit. Each will be developed further over time.</p>
Equality Assessments	The Council has completed all Equality Impact Assessments (EIA's) covering priority areas as set out in the programme along with a number completed in new areas of work. Work continues with the programme of EIA's and compliance with the Equality Framework	Equality Strategy, which sets the framework was agreed by Cabinet in June. Assistant Directors will lead EIAs of all change projects.
Financial Management	Further development and strengthening of the internal control financial procedures, by the introduction of control accounts for subsidiary financial systems including payroll, and enhanced monitoring of reconciliations.	In 2010/11 there was a major upgrade to the core financial system which has the potential to be substantially developed.
Housing Options	In accordance with the wishes of its tenants the Council retains its housing stock of approximately 5,000 dwellings. The Council is now considering its response to the Government's proposals for the reform of the housing finance system. It will then await the Government's detailed timetable for implementation which will drive its own arrangements and investment plans	Project team in place to develop options for financing new approach and guide implementation.

Issue	Action to be taken	Progress / Comments
Performance Management, New National Performance Framework and Scrutiny Development	Development of the scrutiny function – continued development of performance measures which assess the impact of Council and its partners' programmes of work in the community. Includes arrangements for partnerships and monitoring cross-cutting issues. Further development of scrutiny function, supported by new Assistant Director role and improved focus on outcomes contained in the Community Strategy. Performance support for Assistant Directors.	Council has agreed and implemented new arrangements for Scrutiny which focus Member time on scrutiny through task-and-finish groups. Separate Audit Committee established. New performance management regime, based on corporate Change Plans has been developed.
Leading the response to Climate Change	Ensure commitment to achievement of the Council/WDSP target on carbon reduction across the district and provide leadership to obtain commitment from key organisations currently not involved in the partnership. Make resources available to reduce the carbon footprint of the Council which will in turn impact on the efforts for reduction in the wider community.	Various milestones continue to be measured within individual climate change projects.
Capacity	Ensure capacity to deliver priorities.	Performance Management Team leads in monitoring progress with key projects and managing capacity to ensure delivery of priorities. The <i>1-team</i> approach to staff deployment is assisting with directing staff resource to priority areas.
Silver Hill	Henderson Global Investments have now acquired Thornfield interest in scheme and are progressing.	Detailed project plan being developed to implement at close of 'standstill (from mid-July)
The mobilisation of new contracts	Underway, with Project Teams leading each.	
Commissioning	Developing approach to allocating resources to secure priority outcomes, in particular through closer working with voluntary and community sector.	Cabinet have agreed the framework for commissioning, models being developed to pilot and further develop our approach.

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 the Community Strategy and Change Plan monitoring.

Signed:

Signed:

Simon Eden
Chief Executive
Winchester City Council

Councillor Beckett
Leader of the Council
Winchester City Council

Dated:

Dated:

Winchester City Council

Local Code of Corporate Governance

Winchester City Council's Local Code of Corporate Governance

Definition of Governance

For the purpose of this Local Code, Winchester City Council has accepted the definition of Corporate Governance as stated within the CIPFA/SOLACE Framework, as follows:

“Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.

Good Governance Standards

The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have published a framework document for Corporate Governance in Local Government.

Winchester City Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance, as recommended by the CIPFA/SOLACE Framework.

This document, Winchester City Council's "Local Code of Corporate Governance", therefore sets out and describes the Council's commitment to corporate governance, and identifies the arrangements that have been made, and indeed will continue to be made, to ensure its effective implementation and application in all aspects of the Council's work.

Winchester City Council recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected Members and Officers of the Council.

The effective application of the six principles of good governance directly supports the Council's three overarching principles that have been identified for the Winchester District through the Winchester District Community Strategy:

- Active Communities
- A Prosperous Economy
- A High Quality Environment

A copy of the Winchester District Community Strategy can be obtained through the following link and provides detail on what is covered within the above three overarching principles.

www.wdsp.co.uk/community-strategy/

Winchester City Council's good corporate governance standards are outlined below. The Council will prepare an Annual Governance Statement to evaluate its governance against the principles below:-

GOOD GOVERNANCE PRINCIPLE 1

Winchester City Council will focus on the purpose of the authority and on outcomes for the community and create and implement a vision for the local area.

We will:

- develop and promote the authority's purpose and vision
- review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements
- ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties
- publish information on a timely basis to communicate the authority's activities and achievements, its financial position and performance
- 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
- put in place effective arrangements to identify and deal with failure in service delivery
- decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.
- Measure the environmental impact of policies, plans and decisions.

GOOD GOVERNANCE PRINCIPLE 2

Winchester City Council will, by Members and officers working together, achieve a common purpose with clearly defined functions and roles.

We will:

- set out a clear statement of the respective roles and responsibilities of the executive (Cabinet) and of the executive's members individually (portfolio holders) and the authority's approach towards putting this into practice
- set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers
- 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 authority, taking account of relevant legislation, and ensure that it is monitored and updated when required
- make the Chief Executive responsible and accountable to the authority for all aspects of operational management
- develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained
- make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
- make a senior officer (the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with
- develop protocols to ensure effective communication between members and officers in their respective roles
- set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process
- ensure that effective mechanisms exist to monitor service delivery
- 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 that they are clearly articulated and disseminated
- 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 authority
 - 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 organisation to partner decisions.

GOOD GOVERNANCE PRINCIPLE 3

Winchester City Council will promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour.

We will:

- ensure that the authority's leadership sets a tone for the organisation by embedding and sustaining a climate of openness, support and respect
- ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols
- put in place arrangements to ensure that members and employees of the authority 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
- develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners
- 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
- develop and maintain an effective standards committee
- 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 authority 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.

GOOD GOVERNANCE PRINCIPLE 4

Winchester City Council will take informed and transparent decisions which are subject to effective scrutiny and managed risk.

We will:

- develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- 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
- develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.
- ensure that effective, transparent and accessible arrangements are in place for dealing with complaints
- ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications
- ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately
- ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs
- ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access
- actively recognise the limits of lawful activity placed on us by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of our communities
- 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
- 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.

GOOD GOVERNANCE PRINCIPLE 5

Winchester City Council will develop the capacity and capability of members and officers to be effective.

We will:

- provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
- ensure that 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 authority
- assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively
- 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
- ensure that effective arrangements are in place for reviewing the performance of the executive (Cabinet) as a whole and of individual members and agreeing an action plan to address any training or development needs
- ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority
- ensure that career structures are in place for members and officers to encourage participation and development.

GOOD GOVERNANCE PRINCIPLE 6

Winchester City Council will engage with local people and other stakeholders to ensure robust public accountability.

We will:

- make clear to ourselves, all staff and the community to whom we are accountable and for what
- consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required
- produce an annual report on the activity of the scrutiny function
- 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
- hold meetings in public unless there are good reasons for confidentiality
- ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements will recognise that different sections of the community have different priorities and we will establish explicit processes for dealing with these competing demands
- 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
- on an annual basis, publish an annual report giving information on the authority's vision, strategy, performance plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
- ensure that the authority 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
- develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

Corporate Governance Self Assessment**Dimensions****1 – Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area**

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users	Develop and promote the authority's purpose and vision	<p>The Winchester District Strategic Partnership Community Strategy 2010 -2020 sets out the vision and intended outcomes for the district over the next 10 years. This replaced the existing Sustainable Community Strategy during 2010/11.</p> <p>The Corporate Business Plan 2009-14 is aligned with the Sustainable Community Strategy. This together with the divisional business plans represents the Councils individual role in delivering the SCS.</p> <p><i>The 2010-11 business plans are available but not easily accessible</i></p> <p>The Winchester District Community Strategy 2010-2020 is available under the WDSP site linked from the Winchester City Council internet site. This sets out the way that WCC and partners would like the District to "change for the better over the next decade."</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	Review on a regular basis the authority's vision for the local area and its implications for the Authority's governance arrangements.	<p>In 2010/11 the existing process for developing, approving and publishing divisional business plans continued to operate. In the latter part of 2010/11 planning for 2011/12 took place and the divisional business plans are being replaced with detailed change plans. This will represent a significant change to the way that the Council plans its' service delivery.</p> <p>The Council's adopted Local Code of Corporate Governance was reviewed and agreed as part of the Corporate Governance Report that was presented to PSC on 14 June 2010.</p>
	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.	The Winchester District Strategic Partnership Community Strategy shows the vision for the community, developed in agreement by the partners.
	Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	<p>The Statement of Accounts is published on the Council's internet site after they are approved by the Statement of Accounts Committee.</p> <p>Performance against each of the outcome groups for 2009/10 was reported to the relevant Scrutiny Panel (Environment, Local Economy or Social Issues) covering High Quality Environment, Economic Prosperity, Inclusive Society, Health & Wellbeing and Safe & Strong Communities. The WDSP Community Strategy 2010-20 defines three outcomes for a prosperous economy, a high quality environment and active communities. Performance on progress against these outcomes continues to be reported to the Scrutiny Panels.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	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.	<p>The Overview and Scrutiny function provides the opportunity to improve the quality of life for its residents. This is done through in-depth reviews of policy and service delivery.</p> <p>The Good Scrutiny Guide sets out the roles of scrutiny committees in reviewing performance including partners.</p> <p>The Local Code of Governance annual report reviews performance against 6 good governance standards.</p> <p>The Financial Strategy 2010/11 – 2014/15 states that 'it aims to provide a financial foundation for delivering the Council's policy objectives by enabling resourced plans to be put in place'.</p>
	Put in place effective arrangements to identify and deal with failure in service delivery.	<p>The Council's complaints procedure is published on the internet and is also available in leaflet form.</p> <p>The Winchester District Strategic Partnership (WDSP) includes a complaints process for partners within the LSP to follow.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Ensuring that the authority makes best use of resources and that taxpayers and service users receive excellent value for money	<p>Decide how value for money (VFM) is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.</p> <p>Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provided effective stewardship of public money and value for money in its use.</p>	<p>The Good Scrutiny Guide provides criteria for selecting topics for scrutiny, including “value for money is achieved by making the best use of valuable time” and as “Points to consider when analysing evidence”.</p> <p>The Internal Audit plan includes a program of reviews which cover economy, effectiveness & efficiency.</p> <p>The Council scored 2 out of 4 (satisfactory) on the Use of Resource assessment as reported in the Statement of Accounts – Annual Governance Statement (for year ending 31 March 2010).</p> <p>The Head of Finance is invited to all CMT meetings where matters with financial implications are discussed.</p> <p>The CFO is a member of the Performance Management and Senior Management Team and reviews all committee reports and Portfolio Holder Decisions prior to issue. The Project Accountant role has been established to provide specific financial input to major projects.</p>
	Measure the environmental impact of policies, plans and decisions.	The Corporate Sustainability Appraisal/Strategic Environmental Assessment is on the Council’s internet site.
	Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure this balance is maintained and takes corrective action when necessary.	There are a number of key cabinet reports that evidence the maintenance of a prudential financial framework – Financial and capital strategies, budgets, revised estimates and Treasury reports.
	Ensure compliance with CIPFA’s Code on a Prudential Framework for Local Authority Capital Finance and CIPFA’s Treasury Management Code.	<p>The council has adopted the CIPFA Treasury Management in the Public Services Code of Practice. Mention of this is made in the Statement of Accounts 31 March 2010.</p> <p>The Treasury Management Strategy 2010-11 fulfil four key reports required by the Local Government Act 2003 including CIPFA’s Prudential Code for Capital Finance in Local Authorities.</p>

2 – Members and officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice. Ensure that the CFO reports directly to the chief executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.	Executive members' roles and responsibilities are laid out in the Council's Constitution Part 3 – Responsibility for Functions. The Annual Governance Statement for 2009/10 publicly states that the CFO reports to the Director of Governance.
	Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers.	The Council's Constitution (Part 3 – Responsibility for Functions) sets out a clear statement of roles and responsibilities of other authority members, specifically under Portfolio Holders, Regulatory Committee and Other Non-Executive Committee functions. The Scheme of Delegation defines senior officers' roles and responsibilities.
Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard.	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 authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.	The Council's Constitution - Scheme of Delegation for Officers has been updated to reflect the latest organisational changes, including the Chief Executive, Directors, Assistant Directors and the Head of Teams' roles.

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	<p>Make a Chief Executive or equivalent responsible and accountable to the Council for all aspects of operational management. Ensure that the authority's governance arrangements allow the CFO direct access to the CEO and to other leadership team members.</p>	<p>The Head of Paid Service (Chief Executive) is appointed under section 4 of the Local Government and Housing Act 1989, with responsibilities defined within that Act for overall corporate management and operational activities of the Council – Protocol for Member/Officer Relations from the Constitution.</p> <p>The Chief Executive's job description outlines the principal responsibilities and accountabilities for the post.</p> <p>Governance arrangements allow the CFO (Head of Finance) direct access to the Chief Executive and to other leadership team members.</p>
	<p>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.</p>	<p>Part 5 – Codes and Protocols of the Constitution includes a specific protocol for Member/Officer relations. This includes members, the Leader and Chief Executive relationships.</p>
	<p>Make a senior Officer (the S151 Officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.</p> <ul style="list-style-type: none"> • Appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood through the authority • Ensure that the CFO <ul style="list-style-type: none"> ○ Leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively ○ Has a line of professional accountability for finance staff throughout the organisation • Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance • Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including 	<p>The Protocol for Member/Officer Relations names the S151 Officer as the Head of Finance.</p> <p>The functions of the S151 Officer are also defined under Article 12 – Officers, under The Articles of Constitution.</p> <p>The Head of Finance holds the relevant professional qualification and continues with ongoing professional development. Good financial management is promoted and delivered; professional accountability for finance staff is in place; budget calculations are robust and in line with CIPFA requirements.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	partnership arrangements, outsourcing or where the authority is acting in an enabling role.	
	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.	<p>Part 5 – Codes and Protocols of the Constitution includes a protocol for Member/Officer relations. This includes specific Statutory Officers such as the Monitoring Officer (Corporate Director – Governance).</p> <p>The Monitoring Officers role is defined in the Constitution under Article 12 – Officers.</p>
Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.	Develop protocols to ensure effective communication between members and officers in their respective roles.	<p>Part 5 – Codes and Protocols of the Constitution includes a protocol for Member/Officer relations.</p> <p>The Members' Charter, which is part of the Constitution, makes reference to access to officers.</p>
	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).	<p>The Constitution Part 6 – Members' Allowances Scheme, defines the terms and conditions for allowances to be paid.</p> <p>The latest Independent Remuneration Panel report was presented at Cabinet on 19 January 2011 and is available on the internet.</p> <p>Winchester City Council employees work under NJC (National Joint Council) for LGS (Local Government Service) conditions which are standard for Local Authorities.</p> <p>The Accounts and Audit Regulations require disclosure of employees' remuneration which exceeds £50,000; this disclosure was included in the Statement of Accounts for the year ended 31 March 2010.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	Ensure that effective mechanisms exist to monitor service delivery.	<p>Heads of Division are responsible for monitoring service delivery. Annual business plans are produced for each Division outlining their key objectives / priorities for both the short term and long term future. This business planning process is being replaced by Change Plans from 2011/12</p> <p>Performance against the key priorities / objectives are monitored monthly, monitoring progress against actions and performance indicators included in the individual Divisional Business Plans</p> <p>Scrutiny Panels receive quarterly exception reports providing them with details of projects and actions not on track and performance indicators which show no signs of improvement. The Scrutiny Panel has the ability to hold both the Portfolio Holder and the Head of Division to account for areas of poor performance.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	<p>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 that they are clearly articulated and disseminated.</p> <ul style="list-style-type: none"> • Establish a medium term business and financial planning process to deliver strategic objectives including: <ul style="list-style-type: none"> ○ A medium term financial strategy to ensure sustainable finances ○ A robust annual budget process that ensures financial balance ○ A monitoring process that enables this to be delivered <p>Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used</p>	<p>The Winchester District Strategic Partnership Community Strategy 2010-2020 states both the Council's vision and that of the WDSP. The key role of the WDSP is to create and deliver a Community Strategy that identifies the priority issues facing the district and what the partnership can do to address them.</p> <p>The Local Development Framework, which sets out how growth and development will be guided over the next 10 years, has been developed in consultation with both Statutory Consultees (e.g. Hampshire County Council) and other general consultation bodies (voluntary organisations).</p> <p>The Corporate Business Plan 2009-2014 outlines the steps the council is taking as its part of the process. This plan includes a defined set of priorities and targets, stating also how they are to be achieved.</p> <p>Individual Business Plans are produced annually for each service setting out detailed plans for the different areas of the Council's work.</p> <p>The Councils budget is produced annually for both the general fund and HRA, going through an extensive consultation process, which is approved by Cabinet.</p>
	<p>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 authority.</p> <p>When working in partnership:</p> <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 organisation to partner decisions. 	<p><i>The partnership toolkit includes specific guidance on the Financial and Legal requirements when entering into and maintaining a partnership. However, this toolkit is difficult to access unless a search is entered, the link from the Community and Living pages is no longer in place.</i></p> <p>Part 8 – Local Guidance Notes of the Constitution include specific guidance for members regarding serving on outside bodies, including legal responsibilities and liabilities.</p>

3 – Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Ensuring Council Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.	<p>The Member General Principles of Conduct, which is included in Part 5 – Codes and Protocols of the Constitution specifically identifies openness, respect for others and leadership as values they should adopt.</p> <p>The Model Code of Conduct, which is included in Part 5 – Codes and Protocols of the Constitution clearly states to members their responsibilities with respect to declaring and registering interests openly.</p>
	Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authorities, its partners and the community are defined and communicated through codes of conduct and protocols.	<p>The Members General Principles of Conduct, which is included in Part 5 - Codes and Protocols of the Constitution defines the conduct and personal behaviour expected of members (these are aligned to the values expressed by the Nolan Committee).</p> <p>Training is available for all members (new and existing) annually on Code of Conduct. The training is seen as essential for all new members and existing members are advised to use as refresher training.</p> <p>The Employee Code of Conduct, which is included in Part 5 – Codes and Protocols of the Constitution states the expected general conduct of employees and how they conduct themselves with Councillors, the local community, service users and contractors.</p> <p><i>As part of the induction process new employees are made aware of the Employee Code of Conduct through the e-learning portal on the intranet. Although it is mentioned there is no link to it and it does not require it is read.</i></p> <p>The vast majority of employee induction is carried out using the e-induction portal facility. All new starters are required to complete it, and sign their induction checklist to say they have. Code of Conduct has a specific knowledge checking question at the end of the module.</p> <p><i>There is currently no requirement for regular refresher training on the Employee Code of Conduct.</i></p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	Put in place arrangements to ensure that members and employees of the authority 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.	<p>Defined within Part 5 – Codes and Protocols of the Constitution specifically through the Members and Employee Code of Conduct.</p> <p>Members are required to register financial and other interests. All have returned the register of interests' forms in 2010/11.</p> <p>Training is available for all members (new and existing) annually on Code of Conduct. The training is seen as essential for all new members and existing members are advised to use as refresher training.</p> <p>As part of the induction process new employees are made aware of the Employee Code of Conduct (this is through the e-learning portal on the intranet).</p> <p>A Register of Officers Interests is kept by Democratic Services.</p> <p>Housing Landlord Services and Revenues/Benefits specifically require officers to declare interests each year.</p>
Ensuring that organisational values are put into practice and are effective.	Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners.	Winchester City Council's values are set out in the Corporate Business Plan 2009-14
	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. Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.	<p>The Monitoring Officer reviews Cabinet and Committee reports and decisions for conformity with ethical standards.</p> <p>One of the Functions of the Monitoring Officer is to conduct investigations into matters referred by ethical standards officers and make reports or recommendations in respect of them to the Standards Committee.</p>
	Develop and maintain an effective Standards Committee.	Standards Committee meets regularly throughout the year and is chaired by an Independent member. Membership of the Committee includes 4 independent members and four Parish Councillors.

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	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 authority.	The Member Code of Conduct, Employee Code of Conduct and Model Code of Conduct which all form part of the Constitution, show a commitment to ensuring that decision making respects the Council's values.
	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.	<p>The Partnership Toolkit 'Guidance on Running a Partnership' identifies the partnership agreement an essential for defining responsibilities, reporting arrangements and decision making requirements.</p> <p>The WDSP includes the statement "Governance sets out the 'rules of engagement' for a partnership – i.e. how they will operate, what partners' roles and responsibilities are and how problems will be dealt with... when public funds are being spent in partnership, it is vital that clear lines of accountability are set in partnership agreements"</p> <p><i>However, the Principles of Governance and Conduct do not cover these aspects of the WDSP in any detail.</i></p>

4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible. Maintain and resource and effective internal audit function.	<p>The Council scrutiny function encompasses a Principal Scrutiny Committee and 4 Scrutiny Panels to review, challenge and develop the delivery of the Council's policy framework.</p> <p>WCC work in partnership with Havant and Test Valley Borough Councils for the provision of the Internal Audit service. WCC directly employ three auditors who have joint access to the Internal Audit Manager who reports directly to the Head of Finance. Internal Audit maintains its independence and objectivity by reporting to the Principal Scrutiny Committee and this independence will be maintained when reports from 2011/12 go to a newly formed Audit Committee.</p> <p>An effective internal audit function is resourced and maintained. The effectiveness of the internal audit function is assessed against the CIPFA standards on an annual basis.</p>
	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	Documented evidence of decisions taken by decision making committees together with the recording of the rationale and considerations upon which these are based are, available on the Council's internet site (with the exception of exempt reports). A variety of search routes can be employed to locate these documents via the internet.

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	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.	<p>The Council's Constitution incorporates comprehensive Member and Employee Codes of Conduct and protocols.</p> <p>The Standards Committee considers complaints against Members. A standard form and guidance notes are provided to consider a complaint.</p> <p>A complaints procedure is also publicised on the Council's internet site.</p> <p>Principles of Governance for the WDSP include principles of conduct of individuals involved in the partnership based upon the Nolan Principles of Public Life.</p> <p>Members declare any financial or other interests in the Authority's register by providing written notification to the Monitoring Officer.</p> <p>Training is available for all members (new and existing) annually on Code of Conduct. The training is seen as essential for all new members and existing members are advised to use as refresher training.</p>
	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. Ensure that the authority's governance arrangements allow the CFO direct access to the audit committee and external audit.	<p>Part 4 A – Rules of Procedure of the Constitution defines the arrangements for the Principal Scrutiny and the Overview and Scrutiny function.</p> <p>The Audit Committee function is undertaken by the Principal Scrutiny Committee which is independent of the Scrutiny Panels. This will change in 2011/12 to an Audit Committee.</p> <p>The CFO (Head of Finance) reports to the Principal Scrutiny Committee, attends all PSC and Cabinet meetings.</p> <p>The CFO deals directly with external audit.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	<p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.</p>	<p>The Council's Complaints procedure is publicised on the Internet.</p> <p>Complaints received by the Council are included in an annual report which is presented to Principal Scrutiny Committee (Note: the latest report was presented on 20 September 2010 reporting for the 2009-10 year).</p> <p>The Winchester District Strategic Partnership includes a complaints process for partners within the Strategic Partnership.</p> <p>Complaints against Council members are reviewed by the Standards Committee. The committee last met on 31 January 2011 where complaints to that date were reviewed.</p>
<p>Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants needs</p>	<p>Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for purpose – relevant, timely and gives clear explanations of technical issues and their implications.</p> <p>Ensure provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.</p>	<p>The Committee Timetable lists all the meetings for the year with specific deadlines for submission of reports.</p> <p>The Report Checklist provides guidance for officers on general report writing techniques and requirements; this is however out of date as it refers to incorrect titles and officers no longer working for WCC.</p> <p>The CFO confirmed that clear, well presented, timely, complete and accurate financial information and reports are provided to budget managers and senior officers.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	<p>Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.</p> <p>Ensure the authority's governance arrangements allow the CFO to bring influence to bear on all material decisions</p> <p>Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.</p>	<p>The committee report writing checklist instructs officers to consult the Director of Finance (on any financial or IT implication) and the City Secretary & Solicitor (on any Legal or procedural points). <i>These titles are out of date.</i></p> <p>The CFO confirmed that the authority's governance arrangements allow the CFO to bring influence to bear on all material decisions by virtue of being a member of the Corporate Governance Group.</p> <p>The CFO confirmed that advice is provided on the levels of reserves and balances in line with good practice guidance.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
<p>Ensuring that an effective risk management system is in place</p>	<p>Ensure that risk management is embedded into the culture of the authority; with members and managers at all levels recognising that risk management is part of their jobs. Ensure the authority's arrangements for financial and internal control and managing risk are addressed in annual governance reports</p> <p>Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes</p>	<p>The Council has a dedicated Risk & Insurance Advisor who, together with the Corporate Business Manager, maintains up to date policy and guidance documentation on the Council's intranet.</p> <p>The Chief Executive & Corporate Management Team have a defined role within the Risk Policy 2011 to promote a strong risk culture across the Authority and supports a robust approach to managing the Council's risks.</p> <p>The Risk Policy 2011 outlines the Council's arrangements to manage these risks. This includes how risk management feeds into existing processes; policy planning and operational management and Member and officer roles & responsibilities.</p> <p><i>The report writing template refers to Risk Management considerations but the guidance does not incorporate instruction on this.</i></p> <p>The CFO confirmed that the authority's arrangements for financial and internal control and managing risk are addressed in the annual governance statement.</p> <p>The CFO confirmed that effective internal financial controls are included in Financial Instructions published on the intranet.</p>
	<p>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access</p>	<p>The Anti-Fraud & Corruption Policy, which incorporates arrangements for Whistle-blowing, is part of the Council's constitution, available on the Council's internet. <i>However the link from Finance pages on the intranet is not working. The Internal Audit partnership is working on an Anti-fraud & Corruption Strategy and consideration should be given to adopting a pro-active anti-fraud programme.</i></p> <p>Financial Procedure Rules require officers to notify the Head of Finance of any circumstances that may suggest the possibility of suspected fraud.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Using their legal powers to the full benefit of the citizens and communities in their area.	Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities	<p>It is the function of the Monitoring Officer, as set out in the Council's Constitution, to ensure lawfulness and fairness in decision making and provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues. The Monitoring Officer reports to the Full Council (or to Cabinet in relation to an executive function) where it is considered that any proposal, decision or omission has given rise to maladministration.</p> <p>The committee report writing checklist instructs officers to consult the City Secretary & Solicitor (on any Legal or procedural points). <i>These titles are out of date.</i></p>
	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	The committee report writing checklist instructs officers to consult the Director of Finance (on any financial or IT implication) and the City Secretary & Solicitor (on any Legal or procedural points).
	Observe all specific legislative requirements placed upon them, 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 their procedures and decision-making processes.	It is the function of the Monitoring Officer, as set out in the Council's Constitution, to ensure lawfulness and fairness in decision making and provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues. The Monitoring Officer reports to the Full Council (or to Cabinet in relation to an executive function) where it is considered that any proposal, decision or omission has given rise to maladministration.

5 – Developing the Capacity and Capability of Members and Officers to be effective

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p>	<p>Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</p>	<p>Induction training is conducted for all new members. A Members Training and Development Programme is established each year to develop the skills and knowledge of members.</p> <p>Induction checklists are used for new starters in order to familiarise themselves with the organisation.</p> <p>The E-Learning training portal has a module specific to induction targeted at new starters.</p> <p>The Council invests in staff training, with both corporate training programmes and funding for individual development available.</p> <p><i>The Training Policy on the intranet under Organisational Development dates back to 2002.</i></p> <p>The Council is currently accredited as an 'Investor in People'. A six month extension has been granted to the end of September 2011.</p>
	<p>Ensure that 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 authority. Ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role.</p> <p>Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised.</p> <p>Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</p>	<p>The Head of Paid Service, the s151 Officer and the Monitoring Officer confirmed that they have available to them appropriate courses to supplement / update knowledge as required.</p> <p>The roles are specified in individual job descriptions and their roles and responsibilities are included in the Constitution.</p> <p>The Head of Finance has the facility to obtain additional resources as required to meet short term needs and continues to provide the finance function with the resources, expertise and systems necessary. A review of the Head of Finance's other management responsibilities resulted in "risk" moving to the Chief Executive.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
<p>Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p>	<p>Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively. Embed financial competencies in person specifications and appraisals.</p> <p>Ensure that Councillors roles and responsibilities for monitoring financial performance / budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p>	<p>The Members Training and Development Programme is established each year to develop the skills and knowledge of members.</p> <p>Complaints against Council members are included in the Standards Committee minutes. The future of the National Standards framework is currently in question</p> <p>Officers' performance evaluated as part of the appraisal process</p> <p><i>The Head of Finance considers that financial competencies in person specifications and appraisals could be widened.</i></p> <p>There is a Councillors guide on the intranet and training includes Treasury Management and 1-2-1 training is available on request.</p>
	<p>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.</p>	<p>The Members Training and Development Programme is established each year to develop the skills and knowledge of members.</p>
	<p>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.</p>	<p>The Principal Scrutiny Committee receives the minutes from Cabinet and Scrutiny Panels relating to performance monitoring and considers any issues arising from this.</p> <p><i>There is no specific monitoring of individual member performance. Records are retained of attendance at committee meetings and on the Member Training Development Programme.</i></p> <p>The Leader of the Council conducts the Chief Executive's appraisal. The Chief Executive conducts the Directors' appraisals.</p> <p>If any appraisals are not completed the Learning Development Advisor chases the completion up with Managers. Completion of appraisals is reported to SMT.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal	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 authority.	<p>A Youth Council, launched in 2007, is still active.</p> <p>The Council works with its partners in the community through the WDSP.</p> <p>The Council works closely with its Housing Tenants, through TACT (Tenants and Council Together) to involve them in the management of its housing stock;</p>
	Ensure that career structures are in place for members and officers to encourage participation and development.	<p>Personal Development Plans form part of the Performance Appraisal Process.</p> <p>The 1-Team initiative aims to enable staff skills and experience to be shared across the Council and encourages development 1-Team 'is a new way of working across the organisation, making the most of the skills and resources'.</p> <p>The E-learning portal includes management development opportunities</p>

6 – Engaging with local people and other stakeholders to ensure robust public accountability

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
<p>Exercising leadership through a robust scrutiny function, which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships</p>	<p>Make clear to themselves, all staff and the community to whom they are accountable and for what</p>	<p>The Council has published a 'Good Scrutiny Guide' setting out the role of its scrutiny function.</p> <p>Scrutiny Committees are clearly aligned with the work of Portfolio Holders. Overview and scrutiny bodies are able to hold Portfolio Holders to account for the services within their areas of responsibility.</p> <p>The key part of this dimension is that WCC operate within the WDSP and engage with other stakeholders and partners through this forum. The WDSP Executive has a role to play in ensuring the delivery of the Winchester District Community Strategy and this includes a scrutiny function.</p> <p><i>There are inconsistencies within the contents of the WDSP internet pages which variously refer to 5 or 3 outcomes. The links have not been updated to show that there are now 3 outcomes as a result of the update to the community strategy.</i></p> <p>All Council's are required to review their Leadership arrangements. WCC organised public consultation exercises and reported on the results to the Principal Scrutiny Committee.</p>
	<p>Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required</p>	<p>The Council has published a 'Good Scrutiny Guide' setting out the role of its scrutiny function;</p> <p>Scrutiny Committees are clearly aligned with the work of Portfolio Holders. Overview and scrutiny bodies are able to hold Portfolio Holders to account for the services within their areas of responsibility.</p> <p>The Scrutiny Panels and Principal Scrutiny Committee can also review the City Council's partnership working in relevant areas. They are able to look at all aspects of a partnership's work including the WCC's role, performance management and monitoring work programmes.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	Produce an annual report on the activity of the scrutiny function.	An Annual Report is produced by the Chairman of the Principal Scrutiny Committee each year for the June meeting, commenting on the activity of the scrutiny function (Note the last report was presented to Principal Scrutiny Committee is June 2010 which reported on 2009-10 activities) The "Perspectives" magazine included an annual report on achievement against outcomes in the WDSP.
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning	Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.	The Council magazine, 'Perspectives' was published twice a year and delivered free to all households. The latest available is from September 2010. At the February 2011 Cabinet meeting it was decided to discontinue the publication. Press releases are issued regularly, with press cuttings used to monitor their take up; Council branding is used to raise public awareness of services provided by the authority; Press releases are available on the website. The Council's website is used as a source of information to the community and other stakeholders. Councillors' represent their communities
	Hold meetings in public unless there are good reasons for confidentiality.	All decision making meetings and formal Scrutiny Meetings are open to the public with public participation processes, other than for items falling within exempt categories of business.
	Ensure that arrangements are in place to enable the authority 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 demands	Various arrangements are in place to engage with different sections of the community, including; <ul style="list-style-type: none"> • Engagement with housing tenants through TACT; • Use of directed e-bulletins to keep those who 'sign up' aware of development; • Youth Council.

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
	Establish a clear policy on the types of issues they 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.	<p>The Council's 'Statement of Community Involvement' covers both planning and wider issues.</p> <p>Winchester City Council attempted to establish a consultation panel, 'E-Panel', to help when consulting about Council initiatives, activities and various proposals. A lack of response has resulted in this mechanism not being employed for any meaningful consultations. Individual departments consult with the general public.</p>
	On an annual basis, publish a performance plan giving information on the Authority'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.	<p>The Community Strategy, Corporate Business Plan and budget provide information on plans for the year ahead.</p> <p>Scrutiny Panels receive quarterly reports, 3 reports have been presented. The fourth quarter reflects the full year. The presentation of quarter 4 is scheduled to take place at the July meeting.</p>
	Ensure that the authority 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.	<p>The Council's Customer Service Centre provides a single point of contact for customer queries.</p> <p>The Council uses the Corporate Communications page on the Council's internet site to ensure an effective communication flow</p> <p>Constitution and Cabinet / Committee reports are available on the Council's internet site (agenda and minutes).</p> <p>Details of the Freedom of Information Act 2003 and the right to access information held by the Council are clearly outlined on the Council's internet site.</p> <p>The Council issues the weekly newsletter 'City Voice' to all staff via the intranet.</p> <p>The Management Core Brief is communicated to all staff via their managers each month.</p>

Supporting Principles	Specific requirements to:	Compliance Commentary (<i>italicised areas for improvement</i>)
Making best use of human resources by taking an active and planned approach to meet responsibility to staff	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making	<p>The Council issues the weekly newsletter 'City Voice' to all staff via the intranet.</p> <p>The Chief Executive advises staff periodically via e-mail where there are important items for staff to be aware of.</p> <p>The Management Core Brief is communicated to all staff via their managers each month.</p>