

**BRISTOL CITY COUNCIL
AUDIT COMMITTEE
29th June 2012**

Report of: Strategic Director (Corporate Services)

Report Title: Annual Governance Statement 2011/12

Ward: Citywide

**Officer presenting report: Melanie Henchy-McCarthy / Alison Mullis,
Chief Internal Auditor**

Contact Telephone Number: 0117 92 22063/22448

RECOMMENDATION

The Audit Committee considers the emerging issues to date for the Annual Governance Statement, (AGS) in the light of the work of the Committee during 2011/12 and to date.

The Audit and Standards Committees note and comment on the revised local Code of Corporate Governance at Appendix 2 and note that there are only minimal changes proposed to the Code content.

SUMMARY

The report presents initial officer views emerging from the Annual Governance review process.

The significant issues in the report are:

- Areas of significant weakness in the risk management, internal control or governance arrangements of the Council (detailed in paragraph 3.4)
- Local Code of Corporate Governance at Appendix 2

Policy

Publication of an Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2011. Additionally, the Council's Risk Management Policy Statement requires the Audit Committee to review the Annual Governance Statement to ensure it accurately reflects the internal control, risk management and governance arrangements in place.

Consultation:

Internal: Strategic Directors, Monitoring Officer, Service Director (Finance), Chief Internal Auditor.

External: None necessary

1. AGS Review Process - Progress and Matters Arising

- 1.1 The annual review of the Council's governance, risk management and internal control arrangements is currently in progress to support the production of the AGS for 2011/12. This review includes the established information and assurance gathering processes to ensure that the published AGS is accurate, as well as a review of the Council's Governance framework against the best practice framework devised by the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society Of Local Authority Chief Executives (SOLACE).
- 1.2 The aim of the review process is to ensure that the Council has effective governance, risk management and internal control processes in place to assist with accountability and delivery of objectives. Additionally, the review process will identify any shortfalls in these arrangements to enable them to be addressed.
- 1.3 In the Annual Audit Inspection Letter 2009/10 the External Auditor concluded that "...the Council has good arrangements in place to compile the AGS and to provide a strong audit trail for the Chief Executive and Leader to sign the statement". As a result of that finding it has been agreed with the External Auditor that the review process can be carried out over a three year period with a full review every third year. In intervening years a shorter interim review will take place. This year is the second interim review and the extent of assurance required from Strategic Directors and key officers is therefore reduced. A full review will be due for 2012/13.
- 1.3 The review process includes:
 - obtaining assurance from Strategic Directors and other key officers within the Council on the extent that key control systems have operated effectively within their directorates and areas throughout the year
 - reviewing the Council's governance framework against the best practice governance framework developed by CIPFA/SOLACE
 - reviewing External Audit and Inspection reports, Internal Audit reports and management monitoring reports
 - consulting this meeting on risk management, internal control and governance issues
 - a review of last year's AGS

- 1.4 The final published Statement is required to detail the governance and control framework in place in the Council during 2011/12 and up to the date of publication of the Statement. Where arrangements are not in line with best practice or are not working effectively, this should be recorded in the Statement together with action plans for improvement.
- 1.5 Work has been undertaken by Internal Audit to ensure that the current Local Code of Corporate Governance is a true and fair presentation of the Council's commitment to good governance. The review included:
- discussions with Key Officers and a review of the information provided by Key Officers as part of the AGS process
 - a review of the information accessible to the citizens of Bristol through the Bristol City Council website
 - a review of the plans and processes in place to ensure that the governance framework within the Council is maintained
- 1.6 A revised version of the Local Code of Corporate Governance is at Appendix 2 that has been updated to reflect improvements and changes to the control framework as identified from the above process.

2. The Annual Governance Statement

- 2.1 The process of preparing the AGS should itself add value to the corporate governance and internal control framework of the Council. The AGS should be approved by the end of September in line with the annual accounts to ensure that it is up to date at the time of publication, an initial draft of the statement is included at Appendix 1. The best practice framework provides guidance on what the AGS should contain including:
- responsibilities for ensuring there is a sound system of governance (incorporating the system of internal control)
 - an indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide
 - a brief description of the key elements of the governance framework, including reference to group activities where these are significant
 - a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance framework including reference to the roles of various Members/Officers in this process.
 - An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

3. Significant Governance Issues.

- 3.1 As indicated above, the AGS should identify where governance arrangements are not in line with best practice or are not working effectively, together with action plans for improvement.
- 3.2 The criteria used to identify 'significant control issues' for last year's AGS are set out below. These are based on those produced by CIPFA for the Statement on Internal Control (SIC), the forerunner of the AGS. Whilst the AGS covers a wider range, these criteria nonetheless provide a useful checklist.
- seriously prejudiced or prevented the achievement of a principle objective
 - resulted in the need to seek additional funding or required a significant diversion of resources from another part of the Council's business
 - had a material impact on the accounts
 - attracted significant public interest or seriously damaged the Council's reputation
 - resulted in formal action being taken by the s151 Officer or the monitoring officer
 - received significant adverse commentary in external inspection reports and which the Council has yet to address in a timely manner
 - been identified by the Audit Committee, a Scrutiny Commission or Standards Committee as significant
- 3.3 There are a number of areas which are recognised as possible risks for the future and as such will be monitored through risk management processes but will not be included in the 2011/12 AGS. These are areas such as:
- Mayoral elections and subsequent election of city mayor.
 - Localism Act impacts - resource implications in implementing all the provision and powers of the Act. The need to manage a difficult balance between responding to increased local powers at the same time as managing resource constraints.
 - Welfare Reform Changes - being prepared and responsive to a range of forthcoming Welfare Reform Changes to ensure they meet the needs of customers and manage a change in demand for services within resources available.
- 3.4 Initial proposals for 'significant governance issues' for the 2011/12 AGS have been prepared based on the Strategic Director and key officer assurance statements received to date.

Items in last year's AGS proposed for retention in the 2011/12 AGS are:

- Business Change - Major change is ongoing throughout the Council which has adversely effected the Council's control environment.
- Value for Money - the Value for Money self assessment mechanism has been rolled out, but no demonstrable improvement in VfM Council-wide has been achieved.
- CYPS achievement of current year savings and plans for future savings.

- CYPS have spending pressures and projecting significant overspend.
- Senior management capacity - on going issue of how the continuity of management will be addressed and the significant workload of senior management as a result of the reduced number of Strategic and Service Directors.

Items under consideration for inclusion in the AGS:

- Poor CYPS education performance indicators
 - 16-18 year olds not in education employment or training
 - Care leavers in education employment or training
 - Attainment of 5+ A-C GCSEs including English and Maths
 - Proportion of Bristol primary schools that are rated good or better
 - Widening gap between lowest attaining 20% Early Years children and their peers
 - Primary and secondary widening gap between outcomes for pupils on free school meals and all pupils
 - Black Caribbean pupils not improving
- Inability to link changes in financial resources to periodical performance.
- Lack of internal control in a number of financial systems (payroll, procurement, main accounting, bank reconciliation) - ensuring required controls are in place when there is a large amount of change and reduced experience on new systems and with restructuring changing staff roles.
- Schools choosing external financial systems without considering control arrangements - lack of clarity of Local Authority role in this.
- Failure to apply Procurement Regulations appropriately and increased levels of fraud/corruption investigations around procurement.
- Security weaknesses in new systems that have 'gone live' not meeting the Council's minimum security standards.

Items in last year's AGS **not** proposed for retention:

- Health and Social Care Directorate senior management changes - this is not proposed for retention due to permanent appointments to three Service Director posts, an extension of the Interim Strategic Director contract until 31/10/12.
- Housing Benefits strengthen arrangement to improve performance - Audit Commission Improvement Plan completed and performance significantly improved.
- Key Decision Reports and the Leaders Forward Plan - additional checks and balances built into the Key Decision Reporting process have helped to assure quality and effective scrutiny.
- A shortage of primary school places in Bristol - Capital funding from government grant secured, 15 additional one-form entry primary schools to be put in place for September 12.

3.5 The Audit Committee is requested to consider and comment on these proposals.

4. Other Options Considered

4.1 None necessary

5. Risk Assessment

5.1 Failure to publish an Annual Governance Statement would be a breach of the Accounts and Audit Regulations 2011 and would attract adverse comment from the Council's external auditors.

5.2 Disclosures of significant control weaknesses in a public statement could result in adverse press coverage. Hence the wording of disclosures in the final statement will be discussed with the SLT to minimise this risk and a copy provided to the Service Director: Communications & Marketing.

5.3 Development and monitoring of a local Code of Corporate Governance was cited as best practice and failure to maintain such a Code may lead to a loss of transparency in how the Council operates, or negative comments from external inspectors.

6. Equalities Impact Assessment

6.1 None necessary for this report

7. Legal and Resource Implications

7.1 **Legal** - none sought

7.2 **Resource** - the AGS will be prepared and published within existing resources

Appendices

Appendix 1 Initial draft of Annual Governance Statement

Appendix 2 Revised Local Code of Corporate Governance

LOCAL GOVERNMENT ACCESS TO INFORMATION

Background Papers

- CIPFA/SOLACE - Delivering good governance in Local Government: Framework
- CIPFA/SOLACE - Delivering good governance in Local Government: Guidance note for English authorities
- CIPFA Financial Advisory Network: The Annual Governance Statement
- Annual Governance Statement review process papers.

Bristol City Council
DRAFT
Annual Governance Statement
2011/12

1. Scope of Responsibility

- 1.1 Bristol 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. The 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.
- 1.2 In discharging these overall responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 This statement explains how the Council endeavours to deliver good governance and reviews the effectiveness of these arrangements. It also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011, which require the Council to publish an Annual Governance Statement (AGS) in accordance with proper practice in relation to internal control.

2. The Council's Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled, and by which it accounts to, engages with and leads the community. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether this has led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It can not 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 the Council's 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.
- 2.3 In January 2009, the Council approved and adopted a local Code of Corporate Governance (revised April 2011 and currently under revision in 2012), which provides in-depth details of the framework the Council has in place to meet the six core principles of effective governance, as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society Of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local

Government.

- 2.4 The following paragraphs summarise Bristol City Council's Governance Framework which has been in place for the year ended 31st March 2012 and up to the date of approval of this Statement and the Statement of Accounts.

3. Determining the Council's Purpose, its vision for the local area and intended outcomes for the community

The Council aims to deliver high quality services that provide value for money and which are aligned to the needs and priorities of the local community.

The Council is involved in a number of partnerships including being a lead member of the Bristol Partnership. The Bristol Partnership has agreed the Bristol 20:20 plan setting out a vision and priorities for Bristol. The Council sets out its priorities, in the context of the 20:20 plan, in a three year Medium Term Financial Plan. The four West of England Authorities are also working together with the business community with shared vision and priorities for the sub-region in a Local Enterprise Partnership.

3.1 Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision of the local area.

- The Council has in place high level action plans to deliver each of the aims of the Medium Term Financial Plan (MTFP). This work is coordinated with the work of the Bristol Partnership. Progress is monitored by the Strategic Leadership Team (SLT).
- The Council has a three year MTFP which sets out spending plans and priorities for 2012/13 - 2014/15.

3.2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.

- The Council's Leader allocates portfolio responsibilities to the individual Executive Members appointed by the administration.
- The Council appoints a number of committees to discharge the Council's regulatory and scrutiny responsibilities.
- The Council has a Constitution which clearly sets out the leadership role and the delegated responsibilities of officers. The Constitution also includes a Member/ Officer protocol which describes and regulates the way in which Members and Officers should interact to work effectively together.
- All committees have a clear terms of reference and work programmes which set out their roles and responsibilities.
- There is a Strategic Leadership Team (SLT) made up of the Chief Executive and Strategic Directors that meets each week to discuss matters which are of strategic and operational importance to the Council.
- The Service Director Finance (Section 151 Officer) and the Head of Legal Services (the Monitoring Officer) are not members of SLT but have open invitations to attend when necessary and receive all papers. Both have a direct reporting line and have monthly meetings with the Chief Executive (Head of Paid Service) in relation to governance issues. Both also attend Cabinet and Cabinet briefings.
- The Service Director Finance is the Council's Chief Financial Officer and is a

professionally qualified accountant. The Service Director Finance is the lead officer for the Audit Committee and attends all meetings as well as reporting regularly to the Resources Scrutiny Commission. Although the Service Director Finance is not a Strategic Director they are the Council's Financial lead and as such are fully involved in all material business decisions and planning processes, and contributes to all key decision reports to SLT and Cabinet.

3.3 Promoting the Council's values and upholding high standards of conduct and behaviour.

- The Council supports a culture of behaviour based on its statement of values. This guides both how the long term vision is put into effect and how members and officers behave in their day-to-day work.
- Members' and Officers' behaviour is governed by Codes of Conduct which include the requirement for declarations of interest to be completed by all Members annually, by all new staff, and biennially by staff working in sensitive areas or paid above a certain grade.
- The conduct of Members was monitored by the Standards Committee in 2011/12 and is currently under consideration to move the requirement to another Committee.
- The Council has a robust complaints procedure.
- The Council has processes and policies in place to ensure all information collected, held, processed and used by the Council is held safely and securely.

3.4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- The Council has a Constitution which clearly sets out how it operates and the process for policy and decision making. The Constitution is available to the public on the Council's website.
- Cabinet meetings where key decision are made are open to the public and available via web cast through the Council's website.
- The Leader's Forward Plan of key decisions to be taken over the next four months is published on the Council's website.
- The decision-making process is scrutinised by a scrutiny function which also undertakes some pre-decision and policy development work.
- Policies and procedures governing the Council's operations include Financial Regulations, Procurement Regulations and a Risk Management Policy Statement.

3.5 Developing the capacity and capability of Members and officers to be effective.

- The Council recognises the value of well trained and competent people in effective service delivery, and as such aims to ensure that Members and managers within the Council have the skills, knowledge and capacity they need to discharge their responsibilities.
- There is a Councillors' Development Policy which assists Members to strengthen their capacity as confident and effective political and community leaders.
- The Council's Performance Management and Development Scheme for all staff ensures performance is managed and development needs for each member of staff are identified.

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

- The Council's planning and decision making processes are designed to include consultation with stakeholders and the submission of views by local people. These include the Citizen's Panel, Ask Bristol e-communication, petitions and e-petitions and the provision of a public forum at the majority of committee meetings.
- All Members are expected to offer, as best practice, surgeries, or equivalent means of providing assistance, for their constituents and key partners (eg. Police) could be involved where appropriate.
- Publishing a free electronic Council newsletter on the Bristol City Council website which communicates the Council's vision and priorities.
- The Council works extensively in partnership. The Bristol Partnership informs the Bristol 20:20 plan which drives the Council's own Medium Term Financial Plan and is implemented through Partnership Delivery Groups.
- The Council has established 14 Neighbourhood Partnerships, based on ward boundaries, to provide an opportunity for local communities to have a greater say in the way services and local issues are managed by the Council and its partner agencies. Some powers over Council services are devolved to these Partnerships.

4. Review of Effectiveness

- 4.1 Bristol City Council annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and by comments made by the external auditors and other inspection agencies.
- 4.2 Both in-year and year-end review processes have taken place. In-year review mechanisms include:
- the Executive is responsible for considering overall financial and performance management and receives comprehensive reports on a quarterly basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
 - there is a well resourced Scrutiny function which holds the Executive to account. The Resources Scrutiny Commission is responsible for maintaining an overview of service and financial performance, efficiency and effectiveness.
 - the Standards Committee have met regularly throughout the year to consider and review issues relating to the conduct of Members. Their work has included agreeing the voluntary code of conduct for Members attendance and endorsing the guidance to Members and officers on purdah. However the Standards Committee will cease to exist during 2012/13 and as such a number of their responsibilities appertaining to Member behaviour will be taken up by another Committee.
 - the Audit Committee met throughout the year to provide independent assurance

to the Council in relation to the effectiveness of the risk management framework and internal control environment. The Committee met eight times during the year, receiving regular reports on risk management, internal control and governance matters.

- Internal Audit is an independent and objective assurance service to the management of the City Council, who complete a programme of reviews throughout the year to provide an opinion on the internal control, risk management and governance arrangements. In addition, the Section undertakes fraud investigation and proactive fraud detection work which includes reviewing the control environment in areas where fraud or irregularity has occurred. Significant weaknesses in the control environment identified by Internal Audit are reported to senior management, the Executive and the Audit Committee.
- the External Auditor's Annual Audit and Inspection Letter is considered by the Audit Committee, the Executive and the SLT. A number of external audits and inspections have also taken place.
- the Performance and Improvement Team regularly monitor value for money and performance measures and recommend improvements to SLT and senior Members, as appropriate.
- The Corporate Risk Register (CRR) is reviewed periodically by SLT and the Executive Member and then presented to Cabinet Briefings for review and approval. The Strategic Director (Corporate Services) takes the lead on the Register together with the Risk Management Group which meets three times a year to review the effectiveness of the Council's Risk Management Framework.

4.3 The year-end review of the governance arrangements and the control environment included:

- obtaining assurances from Strategic Directors that key elements of the control framework were in place during the year in their directorates. They were also asked to identify areas where control weaknesses had resulted in significant issues arising for the Directorate and their comments are reflected in this Statement. The Statement itself was considered by SLT on (TBC) and is supported by them as an accurate reflection of the governance arrangements in place for the year.
- obtaining assurances from other senior management, including the s151 Officer and the Monitoring Officer that internal control and corporate governance arrangements in these essential areas were in place throughout the year.
- obtaining assurances from Strategic Directors and the Head of the Executive Office with regard to the governance arrangements in place for key partnerships.
- reviewing external inspection reports received by the Council during the year, the opinion of the Chief Internal Auditor in his annual report to management and an evaluation of management information in key areas to identify any indications that the control environment may not be sound.

- consulting the Audit Committee regarding any potential issues they felt could indicate a problem with the control environment as a result of their work during the year and consideration by the Audit Committee, in preparation of its annual report to Council, of the assurances it was able to provide in respect of risk management and internal control, including the Internal Audit function.

5. Significant Governance Issues

- 5.1 The review process has highlighted a number of new significant issues regarding the governance and internal control environment. Additionally, there are a number of issues which were highlighted in the 10/11 AGS which have not progressed sufficiently to be excluded from this year's statement. For each issue, detailed action plans have been determined by a responsible officer and a summary of the key elements of these are included in the table below.
- 5.2 Conversely, there are a number of items which were included in the 10/11 Statement which have been excluded this year as significant progress has been made in addressing the issues such that they are no longer considered a threat to the governance and control environment.
- 5.3 The table below summarises the significant issues and the proposed action to be taken to address those issues:

Issue	Action to be undertaken in 2011/12, and Responsible Officer

6. Certification

- 6.1 To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified in Section 5. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangement. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness, and will monitor their implementation and operation as part of our next annual review.

Leader of the Council: Simon Cook _____ Date: _____

Chief Executive: Jan Ormondroyd _____ Date: _____

s151 Officer : Peter Robinson _____ Date: _____



Bristol City Council

**Local Code of
Corporate Governance**

June 2012

Bristol City Council

Local Code of Corporate Governance

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Version	Reviewed By:	Review Date
1	Full Council	13 th January 2009
2	Audit and Standards Committees	9 th April 2010
3	Audit and Standards Committees	1 st April 2011
4	Audit Committee	29 th June 2012

1. What is Corporate Governance?

- 1.1 The Corporate Governance framework comprises of the systems and processes, culture and values by which an organisation is directed and controlled. For local authorities this includes how a council relates to the community it serves.
- 1.2 Good Corporate Governance requires the authority to be open, transparent, effective, inclusive of all sectors of the community, accountable to the public it serves and to demonstrate integrity.
- 1.3 This Code is a public statement of the ways in which the Council will achieve good corporate governance.
- 1.4 The Code is based around six principles which were identified in the joint publication by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). Their published guidance 'Delivering Good Governance in Local Government' identified the following as the essential criteria for the provision of good governance.
 1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
 3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 5. Developing the capacity and capability of Members and officers to be effective
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 1.5 By publishing a Code of Corporate Governance, the Council is demonstrating its commitment to ensuring the high quality of its public services.
- 1.7 By promoting the principles of openness, accountability, integrity and effective governance, the Council encourages public trust.
- 1.8 The Code provides the public with greater awareness of the Council's arrangements and equips them with the knowledge to question the Council's plans and actions, thereby becoming more involved in the running of their city.

2. The Principles of Corporate Governance

2.1 Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision of the local area.

2.1.1 The Council will communicate its purpose and vision and its intended outcomes for the citizens and service users by:

- ➔ Publishing a three year Medium Term Financial Plan, which details the key outcomes the Council has for the city of Bristol and its citizens over the period.
- ➔ Maintaining a Communications Strategy.
- ➔ Playing a leading role in the Bristol Partnership, and its Partnership Boards, and working together with strategic partners and citizens to promote Bristol as one of the top twenty cities in Europe with the Bristol 20:20 plan.
- ➔ Publishing an Annual Review Report which incorporates performance against key local performance indicators.
- ➔ Publishing on-line the Council's newsletter on the Bristol City Council website which clearly communicates the vision and priorities of the Council, with web facilities available in libraries for viewing.
- ➔ Working in partnership with other Authorities and the business community with shared vision and priorities for the sub-region.

2.1.2 The Council will ensure that users receive a high quality of service whether provided directly, or in partnership, or by commissioning by:

- ➔ Maintaining a Citizen's Panel, and conducting service user satisfaction surveys, publishing the results appropriately.
- ➔ Providing a complaints/comments procedure (Fair Comment), and utilising the resulting information to identify areas where service quality is not satisfactory in order to take action to bring about an improvement.
- ➔ Maintaining joint Commissioning Arrangements with the National Health Service.
- ➔ Taking action upon weaknesses identified as a result of external reviews, for example External Auditor, Ofsted, CSCI etc.
- ➔ Giving the citizens of Bristol access to their Council and the services it provides through Customer Service Points and the external website.
- ➔ Actively engaging staff in customer focus and providing appropriate training and development opportunities.

2.1.3 The Council will ensure it makes the best use of resources and that the council tax payers and service users receive excellent value for money by:

- ➔ Maintaining a Value for Money Strategy.
- ➔ Producing an annual Environmental Statement.
- ➔ Publishing a Medium Term Financial Plan (MTFP), setting out spending plans for the next 3 years on a rolling basis.
- ➔ Progressing a Transformation Programme which has already resulted in efficiency savings and will continue to do so thereby increase the Value for Money received by the citizens of Bristol.
- ➔ Benchmarking with other Local Authorities, eg the Core Cities, neighbouring authorities and comparative groups.

- ➔ Reviewing the performance framework and streamlining the performance reporting protocol in order to maximise use of management information and make best use of limited resources.
- ➔ Public scrutiny of the budget proposals through 'Bristol's Budget Conversation'.
- ➔ Adopting best practice in commissioning and procurement
- ➔ Maximising the economic well being of Bristol citizens within global conditions.

2.2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.

2.2.1 The Council will ensure that there is effective leadership with clearly defined roles and responsibilities for executive, non-executive and scrutiny functions by:

- ➔ Maintaining a Constitution which sets out the roles and responsibilities of both Members and officers, including a Scheme of Delegation which is updated annually.
- ➔ Appointing committees to discharge the Council's regulatory and scrutiny responsibilities.
- ➔ Providing all Committees with a clear terms of reference and work programme to set out their roles and responsibilities.
- ➔ Appointing a Chief Executive (and Head of Paid Service) and Strategic Leadership Team, and ensuring all staff have clear conditions of employment and job descriptions which set out their roles and responsibilities.
- ➔ Appointing a Monitoring Officer (the Head of Legal Services), who carries overall responsibility for legal compliance, working closely with other officers to advise on requirements.
- ➔ Providing opportunities for Cabinet and Scrutiny members to come together both formally and informally, to ensure the Council's business is conducted appropriately.

2.2.2 The Council will ensure that a constructive working relationship exists between Council Members and officers and the responsibilities of said Members and officers are carried out to a high standard by:

- ➔ Maintaining a Members/Officers protocol within the Constitution which describes and regulates the way in which Members and Officers should interact to work effectively together.
- ➔ Ensuring Directorate schemes of delegations are in place and reviewed on a regular basis, thereby providing clear direction to officers of the scope of their responsibilities.
- ➔ Maintaining a Strategic Leadership Team (SLT) made up of the Chief Executive and Strategic Directors that meets every week to discuss matters which are of strategic and operational importance to the Council.
- ➔ Regular meetings between the Cabinet and the Strategic Leadership Team.
- ➔ The Service Director Finance (Section 151 Officer) and the Head of Legal Services (Monitoring Officer), who are not members of SLT having an open invitation to attend when necessary and receiving all papers.
- ➔ Maintaining a performance management system for all staff including senior officers.
- ➔ Adopting Codes of Conduct for Members and officers, to which all must adhere.

- ➔ Maintaining a Standards Committee with responsibility for overseeing the behaviour of Members.
- ➔ Maintaining a Scrutiny Function, which provide overview and scrutiny of all Council activities and operates a call in facility.
- ➔ Maintaining an Audit Committee with the responsibility for overseeing the governance arrangements within the Council.
- ➔ Encouraging Members to attend training and development opportunities in order for them to fulfil their roles and responsibilities.
- ➔ Officers providing the Executive Member with fortnightly briefings.

2.2.3 The Council will ensure that its relationships with its partners and the public are clear so that each knows what to expect of the other by:

- ➔ Adopting a policy for partnership working to ensure that there are clear governance arrangements and accountabilities when the Council is working with partners
- ➔ Being the accountable body and supporting a partnership agreement for all the formal strategic partnerships the Council is involved with, including the Bristol Partnership, detailing the vision, objectives, the partners' roles and a resolution protocol for any disputes.
- ➔ Adopting good governance principles for key strategic partnerships
- ➔ Providing links to external strategic partnerships via the Bristol website.

2.3 Promoting the Council's values and upholding high standards of conduct and behaviour.

2.3.1 The Council strives to ensure its Members and officers exercise leadership by behaving in a way that exemplifies a high standard of conduct and effective governance by:

- ➔ Ensuring adherence to Codes of Conduct which include a requirement for declarations of interest to be completed by all Members annually, by all new staff, and biennially by staff working in sensitive areas or paid above a certain grade.
- ➔ Providing details of the standards of conduct required of Members within the Council's Constitution.
- ➔ Monitoring the conduct of Members through a Standards Committee, which is also responsible for investigating allegations of misconduct by Members.

2.3.2 The Council will ensure its values are put into practice and are effective by:

- ➔ Having a clear decision-making protocol contained within the Constitution.
- ➔ Providing an Anti Fraud, Bribery and Corruption Strategy and Policy for all Members and staff, with regular reminders of its existence through the Intranet and Fraud Bulletins.
- ➔ Having clear and concise Financial and Procurement Regulations in place which are regularly updated.
- ➔ Maintaining a Whistleblowing Policy which is readily available to both Members and staff.
- ➔ Upholding an Equalities policy.

- ➔ Maintaining clear performance management arrangements for officers.

2.4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

2.4.1 The Council will be rigorous and transparent about how decisions are taken by:

- ➔ The Full Council setting the policy and the budget framework. Within this framework, all key decisions are made by Cabinet.
- ➔ The decision-making process being scrutinised by a scrutiny function which also undertakes pre-decision and policy development work.
- ➔ Providing access to meetings, including web casts of Council meetings.
- ➔ The provision of a Public Forum agenda item at all Committee meetings, giving the public and Members the opportunity to raise issues of public interest.
- ➔ A consultation process with the provision for the citizens of Bristol to have their say through e-consultation which is available on the Council website.
- ➔ Publishing the Leader's Forward Plan on the Bristol website and elsewhere, giving Bristol citizens access to details of forthcoming key decisions.
- ➔ Ensuring the involvement of our community in decision making is part of the Bristol Performs agenda which sets out how we can work together successfully to meet the challenges ahead.

2.4.2 The Council will ensure good quality information, advice and support is provided to ensure that services are delivered effectively and are what the community wants/needs by:

- ➔ All key decisions made by Cabinet being on the basis of written reports, including assessments of the legal and financial implications, policy, equalities and environmental impact assessments, and consideration of the risks involved and how these will be managed.
- ➔ The Senior Leadership team reviewing all key decision reports to ensure they are of good quality prior to their submission to Cabinet.
- ➔ Scrutiny having the power to call in a decision if they feel it is made without proper consideration of accurate and relevant information.
- ➔ Publishing performance information on a regular basis.
- ➔ Making use of comparative data and participating in benchmarking with other Core Cities, neighbouring authorities and other comparative groups.
- ➔ Having a mechanism in place to make effective use of management information to inform where improvement in quality is required.
- ➔ Making provision for Members and public questions at full Council meetings.
- ➔ Providing numerous avenues for public participation, including Citizens Panel, Tenants Groups, surveys including, Libraries, young people and public forums.
- ➔ Providing Bristol citizens with advice to maximise economic well being, including links to guidance and support networks through the BCC website.

2.4.3 The Council will ensure all information collected, held, processed and used by the Council is held safely and securely by:

- ➔ Adopting an Information Security Policy.
- ➔ Nominating a member of the Strategic Leadership Team as Senior Information

Risk Owner.

- ➔ Ensuring that all Information Security Breaches are recorded and resolved.
- ➔ Ensuring all staff are trained and aware of their data security responsibilities.

2.4.4 The Council will ensure that an effective risk management system is in place by:

- ➔ Adopting a Risk Management Strategy which sets out a clear plan for consolidating, progressing and further embedding risk management into the culture of Council working.
- ➔ Adopting a Risk Management Policy statement which outlines the aims and key principles for managing risk, provides an overview of the framework and describes the mechanisms for its successful implementation.
- ➔ Maintaining a Corporate Risk Register which is reviewed by the Strategic Leadership Team and Members on a regular basis to endorse the content and validate the extent to which the risks included are being effectively managed.
- ➔ Requiring each directorate within the Council to maintain a Directorate Risk Register and to nominate a Risk Management "champion" to maintain their directorate register and risk management processes.
- ➔ Supporting a Corporate Risk Management Group which includes the relevant Executive Member and is chaired by the Strategic Director (Corporate Services), who meet to identify best practice in respect of risk management and provides opportunities for sharing learning across departments.
- ➔ Requiring risk in decision making, projects and service delivery planning to be properly identified, evaluated and managed.
- ➔ The Audit Committee overseeing the effectiveness of risk management arrangements and providing assurance to the Council in this respect in their annual report.
- ➔ Providing risk management training to Members and officers where appropriate.
- ➔ Providing Risk Management guidance on the Council's intranet, including guidance on risk within partnerships.

2.4.5 The Council will strive to ensure that Members are utilising their legal powers to the full benefit of the citizens and communities in their area by:

- ➔ Clearly documenting the roles and responsibilities of Members and the scope of their activities within the Constitution.
- ➔ Appointing a Monitoring Officer, who's responsibilities include the maintenance of the Constitution and the guidance to Members contained therein.
- ➔ Regularly reviewing Ombudsman and external audit reports to identify areas where improvements should be made.
- ➔ Providing Members and directorates with Legal briefings on changes in legislation and having legal advice available when required.
- ➔ Having an appeals/complaints systems which is available to the citizens of Bristol, details of which can be accessed through the Council website and other methods.

2.5 Developing the capacity and capability of Members and officers to be effective.

2.5.1 The Council will ensure that Members and officers have the skills, knowledge and

experience and resources they need to perform well in their roles by:

- ➔ Developing and delivering a comprehensive Councillor Development Programme to enhance and strengthen members' capacity as confident and effective political and community leaders. This includes the following and is underpinned by the Councillor Development Policy:
 - ➔ providing a dedicated induction programme to newly elected members of the council and a specific additional induction for members of the Cabinet.
 - ➔ Issuing all members with the councillor handbook, A Guide to Being a Bristol City Councillor.
 - ➔ Providing an opportunity for both leading and aspiring members to access national leadership development programmes (such as the LGID Leadership Academy Programme) and other bespoke initiatives including political mentoring.
 - ➔ Participating in a sub-regional programme with neighbouring authorities and offering core skills development such as chairing, public speaking, etc.
 - ➔ Providing briefings to members on relevant topics.
 - ➔ Supporting attendance at conferences and events external to the City Council that are relevant to role.
 - ➔ Supporting member attendance at qualification courses.
- ➔ Providing a Corporate Development Programme for officers.
- ➔ Operating a Performance Management & Development Scheme (PMDS) for all Council employees which incorporates an annual Personal Development Plan (PDP).
- ➔ Providing new staff with an induction into the Council processes, offering cross cutting training and development to all staff.
- ➔ Ensuring all employees have a job description which clearly details their roles and responsibilities.
- ➔ Ensuring that Statutory Officers such as the Monitoring Officer and the s151 Officer have clear job descriptions and personal specification of their responsibilities.
- ➔ Requiring senior officers to consider resource implication when collating their plans.

2.5.2 The Council will evaluate the performance of the people with governance responsibilities as individuals and as a group by:

- ➔ Maintaining a Councillor Development Programme.
- ➔ Offering the facility for Members to participate in individual 1:1 meetings to review their areas of interest and identify areas they would like to develop.
- ➔ Evaluating the effectiveness of the Standards and Audit Committees, and reporting annually on the impact of their work.
- ➔ Operating performance arrangements for the Chief Executive and the Strategic Leadership Team.
- ➔ Making provision for internal secondment opportunities to enable officers to acquire skills outside their normal remit.
- ➔ Giving recognition to Council staff who have exceeded their remit through an annual Celebration of Success.

2.5.3 The Council attempts to encourage new talent for membership of the Authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal by:

- ➔ Supporting Political groups, who have a primary role in encouraging new talent and representatives of all sections of the community to stand election as Members of the Council.
- ➔ Supporting Equalities Forums, Citizens Panels, and Stakeholder Engagement .
- ➔ Ensuring open recruitment of school governors, encouraging participation of members of the community with varying skills. Supporting recruitment with appropriate training.
- ➔ Supporting Members to participate in the Young Persons shadowing scheme - a national scheme adopted locally in Bristol and aiming to involve young people in democracy.

2.6 **Engaging with local people and other stakeholders to ensure robust public accountability**

2.6.1 The Council will exercise leadership which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive, accountable relationships by:

- ➔ Supporting Neighbourhood Partnerships to provide a focus for community engagement
- ➔ Supporting the Bristol 20:20 plan through the Bristol Performs agenda.
- ➔ Providing the citizens of Bristol with information about the Council and its spending through the distribution of a leaflet with their Council Tax bill and the publication of a summary of the year end accounts in the Council newsletter publication on the Bristol City Council website.
- ➔ Publishing the Medium Term Financial Plan on the Bristol City Council website.
- ➔ Supporting a Citizens' Panels tackling local issues.
- ➔ Requiring our Strategic Partners to report to the Overview & Scrutiny Management Committee (OSM) on a regular basis.
- ➔ Supporting a Planning user Group, who meet quarterly to review needs of customers and improve service.
- ➔ Participating in a Bristol Property Agents Association and Bristol Neighbourhood Planning Network as part of the Council's engagement with stakeholder.
- ➔ Participating in the West of England Joint Scrutiny in order to strengthen accountability.

2.6.2 The Council will take an active approach to dialogue with, and accountability to, the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning by:

- ➔ Taking a leading role in the Bristol Partnership.
- ➔ Subjecting itself to peer review on areas of strategic importance and instigate action to implement any resulting recommendations accepted.
- ➔ Maintaining and following the Council's Code of Good Practice on Consultation.
- ➔ Provide the citizens of Bristol with the opportunity to have their say through e-

consultation, Ask Bristol and E-petitions and by participating in Citizen's Panels, or by completing a satisfaction survey.

- ➔ Providing web casts of Full Council meetings on the Bristol City Council website in order to keep Bristol's citizens up-to-date.
- ➔ Maintaining an Equalities Forum.
- ➔ Supporting a Corporate Consultation Team and providing a Consultation Finder on the Bristol City Council website.
- ➔ All Cabinet reports containing a "Consultation" section.
- ➔ All Members being expected to offer, as best practice, surgeries, or equivalent means of providing assistance, for their constituents and key partners (eg. Police) could be involved where appropriate.
- ➔ Supporting Neighbourhood Partnerships covering all wards to facilitate engagement with local stakeholders and to identify local priorities.
- ➔ Publishing a free electronic Council newsletter on the Bristol City Council website which communicates the Council's vision and priorities.
- ➔ Publishing a Council Tax booklet which is distributed annually.
- ➔ The Council's planning and decision making process being designed to include consultation with stakeholders and the submission of views by local people including publishing applications on the website.
- ➔ Maintaining a comprehensive complaints/appeals procedure.
- ➔ Maintaining a Freedom of Information policy and acting upon requests in a timely manner.
- ➔ Maintaining a relationship and providing support to the Bristol Members Youth Parliament.
- ➔ Participating in outreach work with ethnic groups.
- ➔ Publishing the Council's performance annually.
- ➔ Striving to ensure good information exchange within the Council and with external partners, with the provision of an internal intranet site and an external website, which is accessible to our partners and the citizens of Bristol.

2.6.3 The Council will make the best of human resources by taking an active and planned approach to meeting responsibilities of staff by:

- ➔ Maintaining comprehensive consultation arrangements with the Trade Unions.
- ➔ Having an agreed consultation procedure for managing change.
- ➔ Maintaining an effective Performance Management Development Scheme.
- ➔ Implementing a People Programme to ensure that the right people with the right skills set are in the right jobs at the right time.
- ➔ Implementing a People Strategy with performance reported annually and highlighting under represented groups.
- ➔ Maintaining comprehensive and effective HR policies including an Equalities policy.
- ➔ Requiring all staff to participate in an annual development review through the Council's Performance Management & Development Scheme (PMDS)
- ➔ Accessing staff opinions through biennial staff surveys
- ➔ Improving the working environment through the Bristol Performs agenda
- ➔ Working in partnership with local colleges, to maximise the number of opportunities for apprenticeships within the Council.

3. Monitoring and Review

3.1 Good corporate governance requires the active participation of both Members and employees across the Council.

3.2 In order to ensure that this Code is effectively maintained and embedded within the Council, the following monitoring review procedures will apply.

3.3 Internal Audit will have the responsibility for:

- ➔ Ensuring the Code is maintained as a living document.
- ➔ Undertaking an annual review of internal control and governance, utilising assurance statements from Strategic Directors, the statutory officers and other appropriate senior staff
- ➔ Utilising the annual review to prepare a draft Annual Governance Statement (AGS) and implementing any changes to the Code identified by the AGS process.

3.4 The Audit Committee will have responsibility for providing assurance to Council in respect of :

- ➔ the effectiveness of the Council's governance arrangements, risk management framework and internal control environment, including overseeing:
 - ➔ risk management strategies
 - ➔ anti-fraud arrangements
 - ➔ whistleblowing strategies
 - ➔ Internal and External Audit Activities
- ➔ the effectiveness of the Council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control
- ➔ the approval of the Annual Governance Statement
- ➔ the review and approval of the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to those charged with governance on issues arising from the audit of the accounts