**Fife Council**

**Local Code of Corporate Governance (approved Standards and Audit Committee February 2019)**

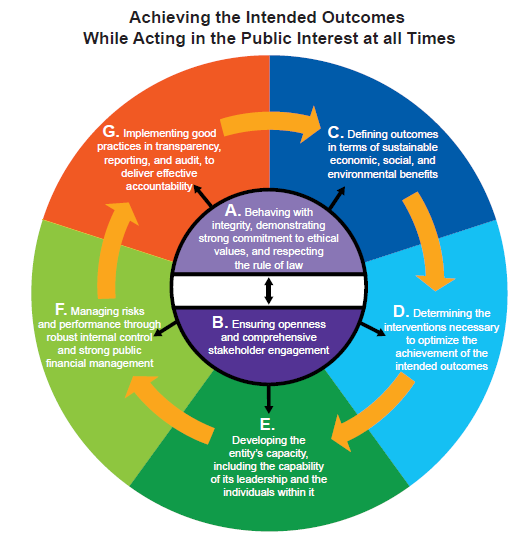
**1.0 Delivering Good Governance**

1.1 Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal & other arrangements) put in place to ensure intended outcomes for stakeholders are defined and achieved.

1.2 Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

1.3 The **‘*Delivering Good Governance in Local Government Framework (2016)’*** published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The framework is structured around seven core principles.

1.4 The **concept** underpinning the Framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way.



Source: CIPFA Delivering Good Governance in Local Government Framework (2016 Edition)

1.5 The **purpose** of the Framework is to assist individual authorities in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

* Resources are directed in accordance with agreed policy and priorities;
* There is sound and inclusive decision making; and,
* There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

1.6 Fife Council demonstrates its commitment to these principles of good governance through the adoption, monitoring and development of its own unique **Local Code of Corporate Governance** (LCoCG) based upon this framework. This LCoCG comprises key areas of policy, procedure, culture and behaviours by which the council is controlled and governed.

1.7 The Council also recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council therefore expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.

**2.0 Accountability and Scrutiny**

2.1 Fife Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. We also have a duty under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in the way in which our functions are exercised.

2.2 Elected members and senior officers are responsible for putting in place proper arrangements for the governance of Fife Council’s affairs and facilitating the effective exercise of its functions which includes the management of risk.

2.3 The Council has in place appropriate management and reporting arrangements to enable us to satisfy ourselves that our approach to corporate governance is both adequate and effective in practice. Under these arrangements:

* The **Executive Director (Finance & Corporate Services)** has been appointed to oversee implementation and monitor and review the operation of the Council’s Local Code of Corporate Governance;
* The **Service Manager (Audit & Risk Management)** has been given the responsibility to independently review and report to the **Standards & Audit Committee** annually on the adequacy and effectiveness of the Local Code of Corporate Governance and extent of compliance with it; and,
* The **Chief Executive** is accountable for ensuring Fife Council discharges its statutory duties under Best Value and meets its obligations with respect to audit and financial regulations.

**3.0 Arrangements for Governance Assurance**

3.1 Fife Council must satisfy itself and its external auditors that a high standard of governance is being achieved. An Annual Governance Statement (AGS), agreed by Fife Council and signed by the Co-Leaders and the Chief Executive, is included in the annual accounts. The primary purpose of this is to give assurance about the effectiveness of internal financial controls.  
As a minimum, this assurance is based on the Annual Assurance Statement (AAS), described below, and other sources considered appropriate.

3.2 The AAS is prepared by the Service Manager (Audit & Risk Management). The purpose of this is to give assurance and suggested areas for improvement relating to governance and the internal controls of the Council. As a minimum, this assurance is based upon the collated Operational Governance Assurance Certificates (OGAC), described below, the outcomes of the annual audit programme of the Council, and any other sources deemed appropriate.

3.3 OGACs are prepared by all Executive Directors (in conjunction with Heads of Service as appropriate). Their purpose is to provide assurance for every Service and Directorate that effective governance and internal control is in place, and to highlight any potential areas for improvement. As a minimum, OGACs are based on an annual assessment of the principles on which our Local Code of Corporate Governance is based (see **Appendix 1** attached) and any other sources deemed appropriate.

3.4 Fife Council’s annual assessment of the Local Code of Corporate Governance takes the form of a series of statements which Executive Directors (and designated lead officers for specific areas of activity) are asked to provide as evidence of its effectiveness by identifying the arrangements and the controls they have in place (see **Appendix 2** attached). This will identify areas for improvement or any risks they will not meet. This in turn will feed into an action plan, details of which will be included in the Annual Governance Statement.

**4.0 Certification**

4.1 We hereby certify our commitment to the Fife Council Local Code of Corporate Governance and will ensure that the Council continues to monitor, review and develop appropriate governance arrangements.  
  
Cllr David Ross, Co-Leader of the Council  
Cllr David Alexander, Co-Leader of the Council  
Steve Grimmond, Chief Executive

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| **CORE PRINCIPLE 1: BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW** | | | |
| ***Supporting Principle 1: behaving with integrity*** | ***Supporting Principle 2: Commitment to ethical values*** | | ***Supporting principal 3: Respecting the rule of law*** |
| **Statement** | | **Examples of Supporting Evidence** | |
| Members and officers behave with integrity and lead a culture where acting in the public interest is consistently demonstrated, thereby protecting the reputation of the Council. | | * *Councillors Code of Conduct* * *Standards & Audit Committee Reporting* * *Standards Commission for Scotland Reports* * *Scottish Public Services Ombudsman (SPSO) Reports* * *Commissioner for Ethical standards in Public Life in Scotland* | |
| Members take a lead in developing the principles and values for the Council and ensure that these values are communicated and embedded in appropriate policies and processes. | | * *Fife Council Governance Scheme (2017)* * *Councillors Code of Conduct* * *Employee Code of Conduct (Mar2011)* * *Discipline Policy & Procedure (Sep2014)* * *Grievance Policy & Procedure (Apr2015)* * *How We Work Matters (Oct2014)* * *UGRs / Reality Check* | |
| The Council develops, monitors and maintains the organisation’s ethical standards and performance through robust policies and procedures and ensures that these values are embedded in personal behaviour and the organisation’s culture and operation. | | * *Fife Council Governance Scheme (2017)* * *Standards & Audit Committee* * *Commissioner for Ethical Standards in Public Life in Scotland* * *UGRs/Reality Check* | |
| The Council ensures that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the Council. | | * *Contract Standing Orders* * *Corporate Procurement Arrangements* * *ALEO / Trust governance arrangements* | |
| Members and officers demonstrate a strong commitment to the rule of law and fulfil responsibilities in accordance with legislative and regulatory requirements. Breaches of legal and regulatory provisions, corruption & misuse of power are dealt with effectively. | | * *Fife Council Governance Scheme (2017)* * *Councillors / Employees Code of Conduct* * *Discipline Policy & Procedure (Sep2014)* * *Grievance Policy & Procedure (Apr2015)* * *Standards & Audit Committee Reporting* | |

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| |  | | --- | | **CORE PRINCIPLE 2: ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT** | | | | |
| ***Supporting Principle 1: Openness*** | ***Supporting Principle 2: Engaging with key stakeholders*** | | ***Supporting Principle 3: Engaging with citizens and service users*** |
| **Statement** | | **Examples of Supporting Evidence** | |
| The Council is committed to openness, and can demonstrate clear reasoning and evidence for decisions about plans, actions, resources and outcomes. If that is not the case, we provide appropriate justification for maintaining confidentiality. | | * *FOI annual report / FOI Requests* * *Committee arrangements / Committee Reporting* * *Fife Direct website* * *Complaints / LAGAN* * *Consultation & Engagement Arrangements* * *Media reporting* | |
| The Council develops formal and informal partnerships and engages effectively with key stakeholders to add value in the delivery of agreed outcomes. Such partnerships are based on trust, a commitment to change and a shared understanding of purpose. | | * *Fife Community Planning Partnership Arrangements* * *Strategic Partnerships / Key Strategies* * *Plan for Fife / Local Community Plans / Neighbourhood Plans* * *COSLA / SOLACE / Improvement Service* | |
| There are arrangements in place to ensure appropriate consultation and engagement with citizens, service users and other key stakeholders and we use this to understand the needs of our communities and inform our decisions regarding service delivery. | | * *Consultation & Engagement Arrangements / Consultation Diary* * *LOIP / Local Community Planning / Neighbourhood Planning* * *Local charrettes and Use of the Place Standard* * *Participatory Budgeting* * *Fife People’s Panel* * *Fife Partnership Board / Strategic / Area Committee reporting* * *Fairer Fife Commission* * *Fife Strategic Assessment / Local Strategic Assessments* | |
| The Council takes a balanced and inclusive view of feedback from different groups and takes account of the impact of our decisions on future generations. | |

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| **CORE PRINCIPLE 3: DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS (SOCIAL VALUE)** | | |
| ***Supporting Principle 1: Defining outcomes*** | ***Supporting principle 2: Sustainable economic, social and environmental benefits*** | |
| **Statement** | | **Examples of Supporting Evidence** |
| The Council has clear strategic direction that defines our intended outcomes, including measures of success, and informs the Council’s overall planning, strategy and decision-making. | | * *Plan for Fife / Local Community Plans / Neighbourhood Plans* * *Changing to Deliver Programme / Service Change Plans* * *Key plans & strategies* * *Public Performance Reporting* |
| The Council can identify and manage risks to the achievement of outcomes, and takes a longer-term view of potential conflicts between intended outcomes and short-term factors such as the political cycle or financial constraints. | | * *Strategic Risk Register* * *Outcome Report template* * *Internal Audit / External Scrutiny* |
| The Council considers and balances the combined economic, social and environmental impact (social value) of policies and plans when taking decisions about service provision, and takes account of wider public interest in order to ensure appropriate trade-offs. | | * *Plan for Fife / Fairer Fife Commission ‘Fairness Matters’ Report* * *Capital programme / Capital investment strategy* * *Committee Reporting Template* * *Key strategies eg Economic / Tourism / Environmental etc.* |
| We ensure fair access to services, and manage the expectations of our communities,  service users and other stakeholders effectively with regard to determining our priorities and making best use of resources. | | * *Plan for Fife / Local Community Plans / Neighbourhood Plans* * *Annual budget process* * *Committee reporting / Public Performance Reporting* * *Consultation & Engagement Arrangements* |

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| **CORE PRINCIPLE 4: DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES** | | | |
| ***Supporting Principle 1: Determining interventions*** | ***Supporting Principle 2: Planning interventions*** | | ***Supporting Principle 3: Optimising achievement of outcomes*** |
| **Statement** | | **Examples of Supporting Evidence** | |
| Decision makers receive appropriate information on how intended outcomes will be achieved. This includes analysis of options and risks and, where appropriate, consideration of feedback from citizens and services users. | | * *Plan for Fife / Local Community Plans / Neighbourhood Plans* * *Key Strategies* * *Service Change Plans / Corporate Change Programme* * *Committee Reporting Arrangements* | |
| Robust planning and control cycles are in place to cover the development of strategic and operational plans, priorities and targets. We consult and engage with internal and external stakeholders on the planning and delivery of services as appropriate. | | * *Budget process / Medium-Term Financial Strategy* * *Community Planning / Local Community Planning* * *Strategic planning* * *Service Change Planning* | |
| As part of our planning processes, we identify, monitor and report upon an appropriate range of performance information in order to evaluate progress, performance and quality of service delivery. | | * *Performance Management & Reporting* * *Committee Reporting* * *Public Performance Reporting* * *Local Government Benchmarking Framework (LGBF)* | |
| The medium-term financial strategy of the Council integrates and balances service priorities, affordability and other resource constraints. It is informed by realistic estimates of revenue and capital expenditure and sets the context for ongoing decisions on significant delivery issues or changes in the external operating environment. | | * *Long-Term Financial Plan / Medium-Term Financial Strategy* * *Budget Process & Service Budgets* * *Capital Investment Strategy Group / 10-yr Capital Programme* * *Financial Risk Register / Policy on Council Reserves* * *Annual Accounts / Annual Audit Report* * *Financial reporting* * *Change & Financial Strategy Board* | |
| The Council’s budget process is all-inclusive and takes into account the full cost of operations. Budgets are aligned to objectives, strategies and the over-arching medium-term financial strategy. | |

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| **CORE PRINCIPLE 5: DEVELOPING THE ORGANISATION’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT** | | |
| ***Supporting Principle 1: Developing the organisation’s capacity*** | ***Supporting Principle 2: Developing the capability of the leadership and other individuals*** | |
| **Statement** | | **Examples of Supporting Evidence** |
| The Council and its services use a range of approaches to review operations, performance, and use of assets and resources on a regular basis to ensure alignment with delivery of agreed outcomes and continuing efficiency and effectiveness. | | * *Service Reviews* * *Self-Assessment (eg FEM Assessments and D&CA Reviews)* * *Internal Audit and External Scrutiny* * *Medium-Term Financial Strategy / Capital Programme* * *Asset Management Strategy & Plans* * *ICT / Digital Strategy & Road Maps* * *Workforce Strategy & Plans* * *Corporate Change Programme (Changing to Deliver)* * *Service Change Plans* |
| The Council recognises the benefits of partnership and collaborative working to deliver added value and effective use of resources. | | * *Fife Community Planning Partnership arrangements* * *Strategic Partnership arrangements* * *ADMs eg ALEOs and Trusts* * *City Deals* |
| Appropriate arrangements are in place to ensure that elected members and senior officers understand their respective roles, including the types of decisions that are delegated and those that are reserved for the collective decision-making of the council. | | * *Fife Council Governance Scheme (2017)* * *Cross-Party Leaders Group* * *Elected Member Induction* |
| The Council takes steps to review leadership effectiveness and has appropriate arrangements in place to support the development of elected member and senior management leadership capacity and capabilities. | | * *External Scrutiny and Self-Assessment* * *Contribution Management / CPD / Leadership 360o / UGRs Reality Check* * *Elected Member induction & development* * *CLT / Leadership Development* |

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| **CORE PRINCIPLE 5 (continued)** | |
| **Statement** | **Examples of Supporting Evidence** |
| The Council ensures that there are appropriate arrangements in place to encourage and support public participation. | * *Participation Requests / Community Asset Transfers* * *Consultation & engagement arrangements* * *Local Community Planning / Neighbourhood Planning* * *Local Charrettes / Place Standard* * *Decentralised Budgets / Participatory Budgeting* |
| The Council and its services have appropriate workforce plans and strategies in place. Arrangements are in place to support the regular review of staff performance and the identification of training and development needs. | * *Workforce Strategy / Workforce Plans* * *Learning & Development / CPD Opportunities* * *Contribution Management* |
| Appropriate arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. | * *HR Policies / H&S Policies* * *Attendance Management support arrangements* * *Healthy Working Lives Gold Award* * *How We Work Matters framework* * *Trades Unions Joint Negotiation & Consultation Forum (JNCF)* |

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| **CORE PRINCIPLE 6: MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT** | | | | | |
| ***Supporting Principle 1: Managing risk*** | ***Supporting Principle 2: Managing performance*** | ***Supporting Principle 3: Robust internal control*** | | ***Supporting Principle 4: Managing data*** | ***Supporting Principle 5: Managing finances*** |
| **Statement** | | | **Examples of Supporting Evidence** | | |
| The Council has effective risk management arrangements in place and recognises that this is an integral part of all activities and decision-making. Responsibilities for managing individual risks are clearly allocated. | | | * *Fife Council Governance Scheme (2017)* * *Strategic Risk Management arrangements / Strategic Risk Register* * *Financial Risk Register / Policy on Reserves* * *Internal Audit / External Scrutiny arrangements* * *Committee reporting arrangements & templates* | | |
| The Council has effective arrangements in place to monitor service delivery and make decisions based on objective analysis of the evidence and information available. | | | * *Performance Management & Reporting Arrangements* * *Committee Reporting Arrangements* * *Internal Audit / External Scrutiny* * *Research eg fairer Fife Commission and Strategic Assessment* * *Benchmarking eg LGBF* | | |
| The Council has effective scrutiny arrangements in place to support constructive challenge and debate and provide members and senior management with regular reports on service delivery and progress towards agreed outcomes. | | | * *Fife Council Governance Scheme (2017)* * *Scrutiny Committee / Standards & Audit Committee (independent chairs)* * *Local Area Committees* * *Internal Audit / External Scrutiny arrangements* | | |
| The Council ensures risk management and internal control arrangements are embedded across the council and reviewed on a regular basis. Additional assurance on the effectiveness of these arrangements is provided by Internal Audit and Standards & Audit Committee. | | | * *Fife Council Governance Scheme (2017)* * *Scrutiny Committee / Standards & Audit Committee (independent chairs)* * *Internal Audit / External Scrutiny arrangements* * *Local Code of Corporate Governance & Annual Assessment* * *Committee reporting arrangements & templates* | | |
| The Council has effective arrangements in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. | | | * *Data protection arrangements* * *FOI Reporting / FOI Requests* * *ICT security arrangements* | | |
| **CORE PRINCIPLE 6 (continued)** | | | | | |
| **Statement** | | | **Examples of Supporting Evidence** | | |
| The Council regularly reviews and audits the quality and accuracy of data used in decision making and performance monitoring. | | | * *Internal Audit/External scrutiny arrangements* * *Committee scrutiny process* | | |
| The Council has effective financial management and planning arrangements in place to support delivery of council priorities and ensure appropriate management and controls at all levels. | | | * *Fife Council Governance Scheme (2017)* * *Long-Term Financial Plan / Medium-Term Financial Strategy* * *Investment Strategy Group / 10-yr Capital Investment Programme* * *Financial Reporting to Committees* * *Annual Accounts / Annual Audit Report* * *Internal Audit / External Scrutiny arrangements* | | |

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| **CORE PRINCIPLE 7: IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY** | | | |
| ***Supporting Principle 1:***  ***Implementing good practice in transparency*** | ***Supporting Principle 2: Implementing good practice in reporting*** | | ***Supporting Principle 3: Assurance & effective accountability*** |
| **Statement** | | **Examples of Supporting Evidence** | |
| The Council provides reports to the right people (public/stakeholders) at the right time to allow for effective scrutiny and ensures members/ officers own the results reported. | | * Performance reporting arrangements * Committee scrutiny process/reporting arrangements | |
| The Council has arrangements in place for assessing the extent to which the principles in this Framework have been applied and ensuring assessment results are published on a consistent and timely basis including an improvement action plan, appropriate evidence, and the performance information that accompanies the financial statements. | | * Annual Governance assurance process * Annual Governance Statement | |
| The Council ensure that this Framework is applied to jointly managed or shared service organisations as appropriate. | | * Trust Assurance Framework * Involvement of Health & Social Care Partnership in council assurance process | |
| There are effective arrangements in place to ensure that recommendations for corrective action made by external audit are acted upon. | | * Regular reporting/scrutiny by Standards & Audit Committee | |
| The Council’s internal audit service has direct access to members, providing assurance to governance **arrangements** and that recommendations are acted upon. | | * Reporting via Standards & Audit Committee | |
| The Council has arrangements in place that allows us to welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. | | * Internal Audit/External scrutiny arrangements | |
| The Council gains assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. | | * Trust Assurance Framework | |
| The Council ensures that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. | | * Plan for Fife/Local Community Plans/Neighbourhood Plans | |