

EAST AYRSHIRE COUNCIL

COUNCIL MEETING - 21 JUNE 2007

LOCAL CODE OF CORPORATE GOVERNANCE

Report by Chief Executive

1. PURPOSE OF REPORT

- 1.1 To advise the Committee of progress in implementing the Council's Corporate Governance Action Plan and to seek the Committee's approval for the adoption of an updated Local Code of Corporate Governance and Action Plan for 2007/08.

2. BACKGROUND

- 2.1 Following publication of the finalised CIPFA/SOLACE framework for Corporate Governance in Local Government in 2001, a report was presented to the Council Meeting of 27 June 2002 recommending the adoption of the Council's Local Code of Corporate Governance.
- 2.2 Since the adoption of the Local Code, an annual process of review has been conducted. This results in the Council each year adopting a new Local Code of Corporate Governance together with an action plan. This is designed to ensure that the ethos of excellent Corporate Governance is embedded in every decision the Council makes.
- 2.3 In June 2006, CIPFA/SOLACE produced 'Good Governance in Local Government: A Framework', a consultation draft, which is an updated version of the current framework. East Ayrshire Council in its response to the consultation, considered that the document provides a useful and practical update to the original Framework, and furthermore, will assist the Council in the annual update and review of our own Corporate Governance arrangements. The consultation period closed on 11 September 2006. However, the updated framework has not yet been published, and this year's Code follows the original framework.

3. ANNUAL REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS

- 3.1 An important element in relation to the process of assurance that the Council's arrangements for Corporate Governance are in place and working effectively, is the need for continuing monitoring and annual

review of these arrangements. This year's annual review process was co-ordinated by the Best Value & Performance Section, with input from all Council Departments.

- 3.2 Whilst this process of review is co-ordinated corporately, Executive Directors have a responsibility to ensure that they are satisfied that their own governance arrangements are adequate and operating effectively. In line with the CIPFA/SOLACE Framework, each Executive Director is required to make an annual statement confirming that this is the case and, thereafter, the Council prepares and publishes an Annual Statement of Assurance confirming that corporate arrangements for governance are robust.

4. ACTION PLAN PROGRESS

- 4.1 Appendix 1 to this report sets out the Council's Corporate Governance Action Plan for 2006/07, which was agreed by the Corporate Governance Committee on 8 June 2006. An additional column has now been added to the Action Plan to provide an update for Committee on the progress in achieving the agreed actions.
- 4.2 This provides a clear demonstration of the Council's overriding commitment to best practice in Corporate Governance.

5. UPDATED LOCAL CODE OF CORPORATE GOVERNANCE

- 5.1 Appendix 2 to this report provides the proposed updated East Ayrshire Local Code of Corporate Governance for 2007/08. For ease of reference, proposed amendments to the Code are highlighted within Appendix 2 in bold.
- 5.2 In terms of structure, the Local Code of Corporate Governance for 2007/08 continues to follow the CIPFA/SOLACE Framework which represents best practice.
- 5.3 On receipt of the updated framework from CIPFA/SOLACE (as indicated in 2.3 above), the Council will take the opportunity to update elements of the Code to reflect new decision-making structures currently being implemented.

6. ADOPTION OF A REVISED ACTION PLAN

- 6.2 In light of the need to constantly update the Code to ensure a robust framework is in place, a number of new improvement actions have been identified for implementation over the coming year.

6.3 Full details of the proposed 2007/08 Improvement Action Plan are set out in Appendix 3 to this report and progress on its implementation will feature in the Annual Review of the Council's Corporate Governance Arrangements in 2008.

7. POLICY IMPLICATIONS

7.1 The Council places a high degree of importance on the need to ensure that its arrangements for Corporate Governance are effective and continue to be the subject of ongoing review and improvement.

8. LEGAL IMPLICATIONS

8.1 None.

9. FINANCIAL IMPLICATIONS

9.1 None.

10. RECOMMENDATIONS

10.1 The Committee is asked to:-

- (i) note the process of review for the Council's Corporate Governance Arrangements;
- (ii) note the excellent progress made in the implementation of the previously agreed Corporate Governance Action Plan;
- (iii) agree the revised East Ayrshire Local Code of Corporate Governance for 2007/08, set out in Appendix 2 to this report;
- (iv) agree the proposed Corporate Governance Improvement Action Plan for 2007/08, set out in Appendix 3 to this report;
- (v) note that the revised Local Code of Corporate Governance and the Corporate Governance Improvement Action Plan will be published and made available to the general public; and
- (vi) otherwise note the content of this report.

Fiona Lees
Chief Executive
21 June 2007

LIST OF BACKGROUND PAPERS

CIPFA/SOLACE: Corporate Governance in Local Government: A Keystone for Community Governance, 2001.

CIPFA/SOLACE: Good Governance in Local Government: A Framework
(Consultation Draft), 2006.

Members wishing further information on this report should contact:
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Appendix 1 – Corporate Governance Improvement Action Plan 2006/07

Action Required	Lead Officer	Timetable	Progress Update
Dimension 1 – Community Focus			
<p>Continue to develop and co-ordinate the Council's approach to Sustainable Development across all Council services, to achieve improved outcomes.</p>	<p>Executive Director of Neighbourhood Services</p>	<p>March 2007</p>	<p>The Council's Best Value and Community Planning Audit (September 2006) noted that <i>'the council can demonstrate a commitment to the principles of sustainable development and it is active in a range of projects that have made progress in distinct areas'</i>.</p> <p>Building sustainability is one of the guiding principles in the East Ayrshire Community Plan. Additionally, the Council has a range of plans and strategies that contribute towards achieving its vision for sustainability. A Project Team has been established and a draft strategy is in preparation. This will be available for consultation from 2007.</p> <p>Sustainable Development has been identified as a key priority for the Department of Educational and Social Services, being one of the department's six key strategic objectives.</p> <p>Action: Achieved.</p>
<p>Following finalisation of anticipated regulations on Public Performance Reporting by the Scottish Executive, conclude the review of the Council's Public Performance Reporting arrangements with a view to developing a comprehensive Public Performance Reporting Strategy for the Council.</p>	<p>Depute Chief Executive/ Executive Director of Corporate Support</p>	<p>March 2007</p>	<p>In June 2006, the Scottish Executive confirmed that they would not be introducing further Statutory Regulations on Public Performance Reporting at that time. Local authorities were however, encouraged to continue to consider how best to report their performance to their communities, and were advised to consult with the Best Value Guidance on 'Measures to Support Public Performance Reporting'.</p> <p>The Council's Policy and Resources Committee of 14</p>

			<p>November 2006 considered and agreed a report which detailed the proposed process for taking forward the further development of the Public Performance Reporting Strategy. This is in line with both our ongoing review of Public Performance Reporting arrangements and the Council's Improvement Agenda arising from the Best Value and Community Planning Audit, which includes the need to Improve Public Performance Reporting throughout the Council in line with Statutory Guidance.</p> <p>A report to the CMT of 18 April 2007 advised of the progress made in the further development of the Strategy, including a comprehensive review of current legislation, guidance and best practice. The CMT agreed the actions now required to take the Strategy forward, including public consultation.</p> <p>The finalisation of the comprehensive Public Performance Reporting Strategy has been taken forward into the 2007-08 Action Plan.</p> <p>Action: Achieved.</p>
<p>Further develop the statement of the Council's plans for Public Performance Reporting to enable, through the Council's website, electronic links to relevant performance documentation.</p>	<p>Head of Corporate Development and Communication</p>	<p>November 2006</p>	<p>The Council publishes a comprehensive online list on its Website of intended performance reporting over the following year. This list, which is designed to allow stakeholders to identify the Council services on which they would wish to receive more detailed performance information, allows them to request a copy of the relevant information at the appropriate time, or where available locate the document directly through electronic links. Many of the reports detailed on this list are now available through direct electronic links.</p> <p>Action: Achieved.</p>

<p>Conclude the community consultation and engagement process on the four yearly review of the Community Plan with a view to the new Community Plan and associated Action Plans being finalised by 31 March 2007.</p>	<p>Head of Corporate Development and Communication</p>	<p>March 2007</p>	<p>A wide ranging consultation on the existing aims and aspirations of the Community Plan was implemented from February to May 2006. Stakeholders included Community Planning Core Partners, Thematic Action Plan Working Groups, Community Planning Partnership Board members, Elected Members, community representatives, Residents' Panel members, Local Committee members, young people and the Equality Forums. The public were consulted through a one page spread in the local press. The findings of the consultation exercise and the review of aims and aspirations were considered between May and June 2006.</p> <p>The revised aims, aspirations and associated actions were endorsed by Community Planning Core Partners at their meeting of 26 October 2006 and by Elected Members at Full Council on 12 October 2006.</p> <p>The six thematic Action Plans were reviewed and revised between June and December 2006. Lead Officers were supported in this process by Tribal Consultancy.</p> <p>An updated Community Plan, incorporating comments from Partners, was widely circulated for consideration. As the changes to the Community Plan were not considered significant, a review document was prepared as a supplement to the original Community Plan.</p> <p>The Community Plan Review Supplement 2006/07 and the related thematic Action Plans, were endorsed at a special Core Partners' Group meeting on 2 March 2007, and at Full Council on 1 March 2007.</p> <p>The Community Plan Review Supplement and related</p>
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			<p>thematic Action Plans, an updated 'East Ayrshire by Numbers' and Good Practice Guide have been issued, effective from 1 April 2007.</p> <p>Action: Achieved.</p>
<p>Consider actions around the new National Standards of Community Engagement (published by Communities Scotland).</p>	<p>Depute Chief Executive/ Executive Director of Corporate Support, and Executive Director of Educational & Social Services</p>	<p>March 2007</p>	<p>As part of phase 2 of the Support Programme, EAC has been allocated a further 4 consultancy days, which require to be used by 31 March 2007 (in addition to the 6 days allocated in 2005/06 which were used to implement phase 1). The consultancy allocation will be used to implement the following:</p> <ul style="list-style-type: none"> • a seminar which will focus further on raising awareness of the National Standards; and • in-depth training sessions which will focus on how the National Standards link to existing planning and evaluation tools such as 'Learning, Evaluating and Planning'. <p>Action: Achieved.</p>

<p>Review Equality and Diversity arrangements to meet changing legislative and regulatory framework.</p>	<p>Depute Chief Executive/ Executive Director of Corporate Support</p>	<p>March 2007</p>	<p>The Equality Act 2006 places on public authorities, new duties which are designed to promote gender equality. In accordance with the legislative requirements, the Council has undertaken to produce a Gender Equality Scheme.</p> <p>The Gender Equality Scheme has been finalised and will be considered at the Council meeting of 21/6/07, meeting the statutory deadline of 29/6/07. In anticipation of approval of the scheme, work has commenced to prepare departmental action plans and to prioritise functions and policies to allow impact assessments to be carried out.</p> <p>A new Equalities & Diversity Officer was recruited in late 2006.</p> <p>Action: Achieved.</p>
<p>Dimension 2 – Service Delivery Arrangements</p>			
<p>Further develop the existing systematic, integrated, and strategic approach, to better link feedback from performance review into the Council's corporate and service related budget setting strategy, and resultant service delivery impact.</p>	<p>Chief Executive</p>	<p>March 2007</p>	<p>The Departmental Performance Template, prepared on an annual basis and reviewed in the interim by exception, is a key link between service performance, and service and corporate budget setting. This process has been reviewed by the Chief Executive, resulting in the addition of five new reporting areas, and so strengthening the links and the resultant impacts.</p> <p>Action: Achieved</p>

<p>Implement fully the CIPFA/LASAAC Guidance Note 'A Best Value Approach to Trading Accounts', ensuring that review and option appraisal activity is embedded within existing service delivery arrangements.</p>	<p>Executive Director of lead department for each trading unit.</p>	<p>March 2007</p>	<p>This has been fully implemented.</p> <p>A review of Trading Services is being conducted as part of the programme of Best Value Service reviews. The results of this included the transfer of Onsite Services from being a trading service into a mainstream function within Education Services.</p> <p>The Best Value Service Review of Roads which is nearing completion is being conducted with this guidance central to the Option Appraisal.</p> <p>Action: Achieved.</p>
<p>Dimension 3 – Structures and Processes</p>			
<p>Review political and management structures as part of the preparations for the 2007 Local Authority Elections.</p>	<p>Depute Chief Executive/ Executive Director of Corporate Support</p>	<p>February 2007</p>	<p>A special meeting of the Council's Policy and Resources Committee on 28 November 2006 approved recommendations which reviewed and revised the Council's management structure. The most significant change is to reduce the number of Departments from four to three with there no longer being a Department of Development and Property Services. The functions currently delivered in Development and Property Services will be transferred to Corporate Support, Neighbourhood Services and Finance and Asset Management. The changes will take effect from 1 April 2007.</p> <p>The new management structure is now bedded in and fully operational. Political decision making structures to be reviewed following 2007 election.</p> <p>Action: Achieved.</p>

<p>Build on the impact of the scrutiny arrangements currently in place, with particular emphasis on maximising challenge and improvement obtained from existing mechanisms.</p>	<p>Depute Chief Executive/Executive Director of Corporate Support</p>	<p>February 2007</p>	<p>The Council's recent Audit of Best Value & Community Planning set out an Improvement Agenda. Among the recommendations, the report stated that more systematic scrutiny arrangements should be put in place to maximise member challenge of performance and decisions made.</p> <p>The Council has, at its statutory meeting on 14 May 2007 approved a new decision-making structure, including strengthened arrangements for scrutiny.</p> <p>Action: Achieved.</p>
<p>Demonstrate the achievement of significant cost reductions through the application of modern procurement/purchasing arrangements.</p>	<p>Depute Chief Executive/Executive Director of Corporate Support</p>	<p>December 2006</p>	<p>Formal approval of the Council's participation in the eProcurement Scotland programme was given at the Policy & Resources Committee meeting on 30 May 2006.</p> <p>The Council has piloted a new ePS (eProcurement Scotland) system for web-based electronic procurement and purchasing. The following service units went live on 14 December 2006:-</p> <ul style="list-style-type: none"> • Chief Executive/Depute Chief Executive's Office • Administrative & Legal Services • Corporate Development & Communication <p>The electronic purchasing system will rollout further as a means of assisting the Council to achieve implementation of the McClelland Programme in support of a revised Corporate Procurement Strategy.</p> <p>A financial saving of £240,000 has been secured to date through the application of centralised purchasing arrangements.</p> <p>Action: First tranche of savings achieved. Future</p>

			years' activities will continue to result in further savings.
<p>Members' Training</p> <ul style="list-style-type: none"> Finalise details of Elected Members' training programme and further develop the format of Elected Members individual development plans. Develop guidance for Elected Members in respect of their representation as Members of East Ayrshire Council on external organisations. 	Depute Chief Executive/Executive Director of Corporate Support	January 2007	<p>Work has been completed on preparing a Training Programme and Draft Development Plans for individual members.</p> <p>Action: Achieved.</p> <p>Guidance has been developed, is currently being finalised, and will be issued in due course.</p> <p>Action: Achieved.</p>
Continue to drive forward the 'Integrated Services Delivery and Governance Modelling Project', specifically the range of service areas identified for further action across the 3 Ayrshire Councils, NHS Ayrshire and Arran, and other agencies involved.	Depute Chief Executive/Executive Director of Corporate Support	March 2007	<p>The Executive's ISGMP is now incorporated into the Transforming Public Services Programme. Locally, past work, with a recent impetus to drive the number of shared services has increased the range from c.80/90 to 130, most notably the agreement to have a Joint Emergency Planning Unit, comprising the 3 Ayrshire councils on one site with blue light services joining in due course.</p> <p>Action: Achieved.</p>
Dimension 4 – Risk Management and Internal Control			
Finalise the testing, development and implementation of the IT based Risk Register System, to ensure all key risks identified are managed properly and that opportunity for risk improvement is maximised, through an agreed operational protocol.	Executive Head of Finance	June 2006	<p>The Council has developed an integrated corporate electronic Risk Management System. The responsibility for the ongoing development of the utilisation of the system lies with the Corporate Risk Advisory Group.</p> <p>Risk Registers have been developed and implemented for all departments.</p> <p>Action: Achieved.</p>
Use the IT based Risk Register System to develop a uniform	Executive Head of Finance	March 2007	<p>The Risk Register system is the recognised recording system, applied uniformly throughout the Council via</p>

<p>approach to Risk Management methodology across all key decision making forums/processes, including strategic issues, Audit Recommendations, and Business Planning processes. Provide further training and support as necessary.</p>			<p>the medium of the Departmental Risk Management Groups to monitor and record all significant risks to the Council.</p> <p>The responsibility for operational guidance on the new IT-based system lies with the Risk & Insurance Section within the Finance Service.</p> <p>As a consequence of the recent restructuring officer nominations are now being sought from each of the reformed Risk Management Groups, to receive systems training. Thereafter, control over the management of the departmental register will remain with each Risk Management Group. From the initial trial of the system, further development of the report writing options is taking place. Risk Registers are being reviewed and updated on a quarterly basis through the Departmental Risk Management Groups. A new Finance & Asset Management Risk Management Group has been established.</p> <p>Action: Achieved.</p>
<p>Maximise potential benefits of Risk Management Centre development.</p>	<p>Executive Director of Neighbourhood Services</p>	<p>March 2007</p>	<p>Construction work on the Council's new CCTV and Risk Management Centre began in February 2007. The Centre will facilitate the monitoring of fire and security protection systems including CCTV monitoring, lone worker monitoring systems and community alarms. It is scheduled to be operational by early 2008. A Project Team has been established with the involvement of external partners to bring together services operating from the new facility. Key issues have been identified, ensuring that the potential benefits of the new centre, once complete in December 2007, are maximised.</p> <p>Action: Achieved. Construction work on the new Centre is progressing.</p>
<p>Implement the audit</p>	<p>Executive Head</p>	<p>March 2007</p>	<p>The Council's updated Risk Management Strategy was</p>

<p>recommendations arising from the Internal Audit review of the Council's risk management arrangements, all with a view to further integrating risk management into the normal working arrangements of the Council, and further strengthening corporate governance arrangements in this important area.</p>	<p>of Finance</p>		<p>approved at the Corporate Governance Committee meeting on 23 November 2006. The Strategy clearly states that risk management must be incorporated into the Council's normal business processes.</p> <p>Each Executive Director provides an Annual Statement of Assurance which covers the effective operation of risk management and indicates any actions taken to further consolidate their corporate governance arrangements within their own service remit.</p> <p>Action: Achieved.</p>
<p>Further develop Business Continuity Plans.</p>	<p>All Executive Directors: Co-ordinated by Executive Director of Neighbourhood Services</p>	<p>October 2006</p>	<p>The Council has a statutory responsibility to prepare Business Continuity Plans. Training has been provided by external consultants to officers throughout the Council. These officers have been tasked with preparing plans for their respective areas of responsibility.</p> <p>Departments have developed business continuity plans covering individual services. The Council's Civil Emergencies Plan incorporates business continuity, both internally and externally, as a generic plan to meet statutory obligations.</p> <p>Action: Achieved.</p>
<p>Progress the implementation of the medium and long term action plan points included in the Council's adopted Corporate Asset Management Strategy.</p>	<p>Executive Director of Development and Property Services</p>	<p>March 2007</p>	<p>Whilst there has been some slippage against the action plan approved by the Policy and Resources Committee in February 2006, progress can be evidenced in relation to Corporate Office Accommodation Strategy, Town Centre Regeneration Strategies and the collection of basic condition and suitability data to calculate the SPI for 2006/07. Work on the implementation of the IT system and the staffing structure is continuing.</p> <p>Action: Partially achieved.</p>

Dimension 5 – Standards of Conduct			
<p>Members' Code of Conduct</p> <ul style="list-style-type: none"> • further presentations on Planning issues for Elected Members. • Preparation of an Elected Member information note to assist in the declaration of interest process. • Staff training Seminar on declaration of interest issues. 	<p>Head of Administrative and Legal Services</p>	<p>March 2007</p>	<p>Presentations have been prepared and arrangements are in place for delivery of guidance on planning issues to Elected Members.</p> <p>Action: Will be fully achieved by Sept 2007.</p> <p>Elected Member Information Note has been prepared.</p> <p>Action: Achieved.</p> <p>An Information Note has been issued to staff. A seminar will be arranged in the coming months.</p> <p>Action: Will be fully achieved by Sept 2007.</p>

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For each dimension of a local Authority's business, the CIPFA/SOLACE Corporate Governance in Local Government Guidance Note provides illustrative tables to show how the principles of corporate governance should be reflected, the requirements the local code should reflect, and examples of systems, processes and documentation that may be used to demonstrate compliance. These are, however, only examples and individual authorities will differ in respect to how they comply with the terms of the Code. The CIPFA/SOLACE template has broadly been followed in developing this authority's Local Code.

Note: Those items in column 3 that are in bold are new for 2007/08.

Dimension 1: Community Focus

How the principles of corporate governance should be reflected.

Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, local authorities should:

- work for and with their communities
- exercise leadership in their local communities, where appropriate
- undertake an 'ambassadorial' role to promote the well-being of their area, where appropriate.

Local authorities should therefore maintain effective arrangements:

- for explicit **accountability** to stakeholders for the authority's performance and its **effectiveness** in the delivery of services and the sustainable use of resources
- to demonstrate **integrity** in the authority's dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors
- to demonstrate openness in all their dealings
- to demonstrate **inclusivity** by communicating and engaging with all sections of the community to encourage active participation
- to develop and articulate a clear and up-to-date vision and corporate strategy in response to community needs.

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>(a) Publish on a timely basis an annual report presenting an objective, understandable account of the authority's:</p> <ul style="list-style-type: none"> • activities and achievements • financial position and performance • improvement targets. <p>The reports should include statements:</p> <ul style="list-style-type: none"> • explaining the authority's responsibility for the financial statements. • confirming that the authority complies with relevant standards and codes of corporate governance. 	<p>Statement of the Council's Plans for Public Reporting Financial Statements Public Performance Report</p>	<ul style="list-style-type: none"> ◆ Publish Annual Accounts ◆ Publish East Ayrshire Public Performance Report incorporating a Financial Overview ◆ Publish Statutory Performance Indicators ◆ Community Plan and Progress Updates ◆ Audit Plan (agreed by Committee) ◆ Publication of statement of the Council's plans for Public Reporting on the Council's website and through Local Offices and Libraries ◆ Risk Management Strategy approved by Committee ◆ Departmental Risk Registers ◆ Corporate Risk Advisory Group
<p>(b) Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's</p> <ul style="list-style-type: none"> • current performance in service delivery • plans to maintain and improve service quality 	<p>Public Performance Report Community Strategy Statement of the Council's Plans for Public Reporting</p>	<ul style="list-style-type: none"> ◆ Publish annual Public Performance Report ◆ Service Improvement Plans. ◆ Publication of statement of the Council's plans for Public Reporting on the Council's website and through Local Offices and Libraries ◆ Annual publication - Standards and Quality reports - Education, Early Years, Community Learning/ Development, Onsite, Social Work.
<p>(c) Put in place proper arrangements for the independent review of the financial and operational reporting process.</p>	<p>Annual audit letter and other audit reports Scrutiny Inspection reports</p>	<ul style="list-style-type: none"> ◆ External Audit – final report to Controller of Audit considered by Members ◆ Internal and External Audit ◆ Annual Plan and report ◆ Committee Scrutiny ◆ Accounting Policy Bulletins ◆ Budget Scrutiny Group ◆ Performance Review Group ◆ Chair's Monitoring Group ◆ Best Value Scrutiny Groups ◆ Property Monitoring Group ◆ Risk and Audit Scrutiny Group ◆ Governance & Scrutiny Committee ◆ Internal Audit Annual Service Plan ◆ External Audit Risk Analysis & Plan

<p>(d) Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice.</p>	<p>Strategic partnership framework Stakeholders forums' terms of reference Area forums' roles and responsibilities Annual Report</p>	<ul style="list-style-type: none"> ◆ Community Plan Review process ◆ Local Committee. ◆ Local Planning Committees ◆ Residents' Panel / focus groups ◆ Youth Forums/Youth Conferences ◆ Public consultation on budget. ◆ Community Council Consultations ◆ Annual Consultation Plan ◆ Local Liaison Committees ◆ Social Inclusion Partnership Boards ◆ The Council's comments and suggestions scheme ◆ Residents Panel / Focus Groups ◆ National Standards of Community Engagement ◆ Tenants survey ◆ East Ayrshire Residents' Syndicate Group ◆ Building Strong, Safe and Attractive Communities Survey ◆ Annual Tenants Conference ◆ Rent Consultations ◆ Better government for older people ◆ Other Stakeholder Consultations ◆ Residents Survey ◆ Council for Voluntary Organisations Partnership ◆ Community Safety Partnership ◆ Better Neighbourhood Services Fund – Citizen's Panels ◆ Citizens Forum / Question Time ◆ Registered Social Landlords ◆ Registered Tenants Organisations ◆ Tenant Participation Steering Group ◆ Race Equality Scheme ◆ Housing Stock Options Appraisal Consultation ◆ School Board Steering Group meetings ◆ The Pupil Council Forum meets with the Executive Director and Chair of Education Committee ◆ 4 Yearly review of Community Plan ◆ General Consultative Forums, including:- <ul style="list-style-type: none"> ◆ Disability Forum ◆ Women's Forum ◆ Ethnic Minorities Forum
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		<ul style="list-style-type: none"> ◆ Community Safety Forum ◆ Disabled Access Forum ◆ The production of the Local Transport Strategy involves rigorous consultation with community organisations
(e) Make an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment.	Constitution	<ul style="list-style-type: none"> ◆ Access is one of the council's 4 core values ◆ Minimal council business held in private ◆ Limited application of access to information exclusion grounds ◆ Decentralisation scheme ◆ Fifteen minute public open forum at Local Committees ◆ Local Planning Committees – hearing procedure allows all parties to be heard ◆ Standing orders and scheme of Delegation ◆ Code of Conduct ◆ Minutes and Committee Reports are posted on the internet ◆ Compliance with the requirements of the Freedom of Information Act ◆ Compliance with Data Protection Act ◆ Compliance with Environmental Information regulations ◆ Tenant Involvement in Housing improvement agenda ◆ 3 bin system roll out road shows ◆ Introduction of 3 Community Planning Forums ◆ Freedom of Information systems and procedures ◆ Corporate Record Retention Schedules
(f) Establish clear channels of communication with all sections of their community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively.	Partnership framework IIP accreditation Communication planning process	<ul style="list-style-type: none"> ◆ Community Plan Review Process ◆ Community Planning Partnerships Board ◆ Three Community Planning Forums established ◆ CVO Partnership ◆ Elderly Forum ◆ Headlines ◆ Electronic delivery / promoting the Council's website ◆ Decentralisation Scheme

		<ul style="list-style-type: none"> ◆ Budget Consultation ◆ A-Z of Council Services ◆ Council's internet and intranet site ◆ Ethnic Minorities Forum ◆ Women's Forum ◆ Disability Forum ◆ Community Safety Forum ◆ Community planning partner structures ◆ Common Housing register with Registered Social Landlord Partners ◆ Tenants' Participation Steering Group communications assisted by the Tenants' Information Service ➤ 4 Yearly review of Community Plan has been completed ◆ Youth Forums ◆ Better Neighbourhood Services Fund – Citizen's Panels ◆ Annual surveys carried out on Property's service users ◆ Budget Consultation (through the Web Forum) has been incorporated into Budget setting process
<p>(g) Ensure that a vision for their local communities and their 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>	<p>Community Planning Process Service plans</p>	<ul style="list-style-type: none"> ◆ The Council's vision is in place ◆ Community Planning Partnership Board ◆ Community Plan ◆ Regeneration Outcome Agreement ◆ The Social Inclusion Partnership and Better Neighbourhood Services Fund have development plans and Outcome Agreements ◆ Community consultation is carried out through the Departmental Service Plan and Statutory Plans ◆ Community and Council Planning Process – Core Partners Group; Joint Officers Support Group ◆ Service Plans and individual consultation methods ◆ Extensive consultation has been carried out with the local community, and businesses and retailers, concerning regeneration plans for Kilmarnock and Cumnock

		<ul style="list-style-type: none">◆ 4 Yearly review of the Community Plan has been completed◆ Extensive consultation takes place in the preparation of the Local Transport Strategy
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Dimension 2: Service Delivery Arrangements

How the principles of corporate governance should be reflected.

A local authority should ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:

- discharge their **accountability** for service delivery at a local level
- ensure **effectiveness** through setting targets and measuring performance
- demonstrate **integrity** in dealings with service users and developing partnership to ensure the 'right' provision of services locally
- demonstrate **openness and inclusivity** through consulting with key stakeholders, including service users
- are flexible so that they can be kept **up to date** and be adapted to accommodate change and meet user wishes.

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>(a) Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies.</p>	<p>Best value service reviews</p>	<ul style="list-style-type: none"> ◆ Best Value Audit Framework ◆ EFQM Framework ◆ Best Value Service Review Policy and Guidance ◆ Statutory and Local Performance Indicators ◆ Performance reports ◆ 3-year rolling programme of Racial Impact Reports, with associated action plans ◆ Best Value Position Statements ◆ Annual EFQM Assessments ◆ 3-year rolling programme of Gender Impact Reports, with associated action plans ◆ The Local Transport Strategy applies sustainable development criteria to all objectives and resultant projects and programmes

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
(b) Put in place sound systems for providing management information for performance measurement purposes.	Performance management, planning and information system	<ul style="list-style-type: none"> ◆ Best Value Audit process ◆ Best Value Service Review ◆ EFQM ◆ Benchmarking Clubs ◆ Local Authority Policy (ABC) Benchmarking Partnership ◆ Management Information Systems ◆ Performance Review Group ◆ Budget Scrutiny Group and Budget Control Reports to Service Committees ◆ Property Monitoring Group ◆ Decentralised Financial Monitoring ◆ Customer Complaints Feedback Mechanisms ◆ Financial Ledger ◆ Statutory Performance Indicators ◆ Stakeholder perception surveys ◆ Performance Review and Monitoring for Executive Directors ◆ Service Plans/Workplans produced ◆ Annual EFQM Assessments ◆ Strategic Review of Revenue Budget

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
(c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans.		<ul style="list-style-type: none"> ◆ Public Performance Reporting ◆ Reports to Performance Review Group ◆ Departmental Performance Information ◆ Statutory Performance Indicators ◆ Local Performance Indicators ◆ Best Value Service Review Reports to Service Committees ◆ New Best Value Audit Requirements ◆ Business Plans ◆ Budget Scrutiny Group – Variance Reports ◆ Financial Ledger ◆ Property Monitoring ◆ Service Improvement reports to Service Committees ◆ Review of performance against Service Plans/ Workplans as necessary ◆ Annual EFQM Assessments ◆ Performance review
(d) Put in place arrangements to allocate resources according to priorities.	Community plan Service plans Budget PPR process	<ul style="list-style-type: none"> ◆ The Community Plan ◆ Service Plans ◆ Budget Setting Process ◆ Best Value Service Reviews ◆ Performance Review and Monitoring for Executive Directors ◆ Annual EFQM Assessments ◆ Performance review ◆ School Estate Management Plans ◆ The Local Transport Strategy involves the allocation of resources against strategic and local objectives

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>(e) Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice.</p>	<p>Adherence to good employment practice Partnership framework Protocol for:</p> <ul style="list-style-type: none"> • Joint commissioning • Joint funding • Joint accountability 	<ul style="list-style-type: none"> ◆ Community Plan and Implementation Plans for each of the 6 key themes ◆ Various internal and external partnerships ◆ Partnership Agreement Primary Care Trust ◆ Joint Working Arrangements with the Primary Care Trust ◆ Council for Voluntary Organisations Partnership ◆ Citizens Advice Bureau Partnership Agreement ◆ Ayrshire Electronic Community ◆ Commitment to working in partnership with Community Planning Partners ◆ APB 27 - External Funding Guidance for External Bodies ◆ Scottish Housing Best Value Network ◆ Galleon Trust ◆ Pan Ayrshire forums ◆ Asset Management Ayrshire wide basis ◆ Responsible for various "arms-length" organisations: <ul style="list-style-type: none"> - CONDUIT - EA Woodlands - BTTC - Working for Families - Job Rotation - Dynamic Marketing - Shop Mobility - Short Job Focusing - Coalfield Advisory Project ◆ Co-Location Board ◆ North West Kilmarnock Area Centre ◆ Crosshouse Area Centre development ◆ Local Transport Strategy - consultation with a range of partner organisations

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>(f) Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions.</p>	<p>Annual audit letter and other audit reports</p>	<ul style="list-style-type: none"> ◆ New Audit of Best Value and Community Planning arrangements ◆ Value for Money Reports ◆ HMI ◆ Committee Reporting ◆ Action Plan preparation, implementation and monitoring ◆ Annual Audit Letter ◆ Audit Report ◆ Relationships between internal and external audit ◆ Statutory Reports ◆ Statutory Performance Indicators ◆ Food Standards Agency ◆ Health and Safety Executive ◆ RIPSA ◆ HMI ◆ Local Government Ombudsman ◆ Care Commission ◆ Preparations for Single Regulatory Framework ◆ Peer review ◆ Local Outcome agreements ◆ CIPFA ◆ ISO 9000:2000 ◆ National Review of Building Standards ◆ EFQM Action Plans ◆ Audit and Inspection Protocol ◆ External Audit Plan for Financial Statements ◆ Audit Risk Analysis & Plan ◆ Quarterly Review of External Audit Recommendations by CMT

Dimension 3: Structures and Processes

How the principles of corporate governance should be reflected.

A local authority need to establish effective political and managerial structures and processes to govern decision making and the exercise of authority within the organisation. A local authority should maintain arrangements to:

- define roles and responsibility of members and officers to ensure **accountability**, clarity and ordering of the authority's business
- ensure that there is proper scrutiny and review of all aspects of performance and **effectiveness**
- demonstrate **integrity** through ensuring a proper balance of power and authority
- document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate **openness and inclusivity**
- ensure such structures and processes are flexible so that they can be adapted to accommodate change and be kept **up to date**.

Requirements of Corporate Governance:	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
Balance of Power and Authority		
(a) Put in place clearly documented protocols governing relationships between members and officers.	Protocols	<p>The Council has fully endorsed the Councillors' Code of Conduct introduced under the Ethical Standards in Public Life etc (Scotland) Act 2000 and has provided a copy of the Code to all Councillors together with appropriate training. The Council's commitment to the Code has been incorporated into the Council's Standing Orders. The Code of Conduct for Councillors includes a protocol for relations between Councillors and employees.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p>
(b) Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined.	Standing orders Record of decisions and supporting materials	<p>The Council's procedural documentation clearly details the decision making structure. This includes Scheme of Delegation; Standing Orders; Standing Orders relating to contracts; Contract Procurement Protocol, Financial Regulations; Local Government Access to Information Registers; Departmental Service Descriptions; Senior Officer job descriptions and Guide to the Local Committee Network.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p>

Roles and Responsibilities – Members		
(c) Ensure that members meet on a formal basis regularly to set the strategic direction of the authority and monitor service delivery.	Schedule of council meetings Performance and management systems Financial standards and regulations	The Council has a calendar of meetings which is reviewed regularly. The new Committee structures are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.
(d) Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority .	Scheme of administration/delegation	The Council has a Scheme of Delegation which is reviewed regularly. This is being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.
Roles and Responsibilities – Members		
(e) Put in place clearly documented and understood management processes for policy development, implementation and review and for decision-making, monitoring and control, and reporting and formal procedural and financial regulations to govern the conduct of the authority's business.	Standing orders Scheme of administration/delegation Financial regulations	Service Departments are responsible for the review of their services, reporting through their respective Service Committees. The Budget Scrutiny Group is a standing monitoring and scrutiny body. A Performance Review Group has been established to review the performance of Council services. The Chairs' Monitoring Group has been established to monitor the implementation of the Council's Conditions of Service and other employment matters. A Risk and Audit Scrutiny Group has been established to monitor and review audit plans, performance and reports and ensure compliance with the Corporate Risk Management Strategy. The Council also has other procedural documentation as referred to under (b) above. The Corporate Management Team exists to develop, monitor, and review, major operational

		<p>policies and strategies.</p> <p>An Extended Management Team has been established. This involves all Chief Officers and is chaired by the Chief Executive.</p> <p>The Budget and Service Planning process serves as a management tool for policy development.</p> <p>Financial Regulations are explained and expanded via Accounting Policy Bulletins.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p> <p>Anti-Fraud & Anti-Corruption Guidance is in place.</p>
<p>(f) Put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resources as necessary to enable them to carry out their role effectively.</p>	<p>Members' induction scheme Training for committee chairs Regular update sessions Training plan</p>	<p>Members' training falls into two categories - (i) induction pack together with an induction programme providing a detailed grounding in the overall operation and responsibilities of the Council's various departments, committees and providing information on the Council's corporate policy and procedures; (ii) the preparation of individual development plans which will identify individual Members' training and development needs leading to the creation of a training programme which will take cognisance of Elected Members' specific roles e.g. representative/constituent responsibilities, executive/policymaker responsibilities and monitoring/scrutiny responsibilities and would include the provision of training on cores skills and competencies.</p> <p>An Elected Members' Training and Development Forum has been established to oversee the development of a systematic and tailored approach to assist Members' development needs and to prepare a training programme for Members which meets their priorities.</p>

Roles and Responsibilities – Members		
(g) Ensure that the role of the executive member(s) is/are formally defined in writing, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole.		Following the 2007 Election, new democratic decision making structures were agreed at Full Council meeting of 17 May 2007. A Cabinet structure has been introduced, and Roles and Responsibilities of Members, at both a strategic and operational level, will be produced and distributed to all Members.
(h) Ensure that the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review, are defined clearly in writing.	Members' allowance and expenses scheme	The Council has a Scheme for Members' allowances and expenses in place. This has been revised to reflect updated arrangement for Members salaries, expenses and pensions, and was agreed at a Full Council meeting of 17 May 2007.
Roles and Responsibilities – Officers		
(i) Ensure that a chief executive of equivalent is made responsible to the authority for all aspects of operational management.	Conditions of employment Scheme of delegation Statutory provisions Job descriptions/person specifications Performance management system	The Chief Executive has responsibility as Head of Paid Service for all aspects of operational management.
(j) Ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.	Section 95 responsibilities Statutory provision Statutory reports Budget documentation Job description/person specification	The Executive Head of Finance & Asset Management is responsible for Section 95 proper officer responsibilities and other financial/budget responsibilities, and is a full member of the Corporate Management Team. The Executive Head of Finance and Asset Management reports regularly to the Budget Scrutiny Group and in turn to the Policy and Resources Committee on all budgetary matters. Specific reference is given to the Executive Head of Finance's responsibilities in the Financial Regulations.

<p>(k) Ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations and other relevant statements of good practice are complied with.</p>	<p>Monitoring officer provisions Statutory provision Job description/person specification</p>	<p>The Head of Procurement, Legal and Regulatory Services, and Solicitor to the Council, acts as Monitoring Officer. Reference is made in the Scheme of Delegation to the appointment of Monitoring Officer.</p>
<p>Roles and Responsibilities – Officers</p>		
<p>(l) Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, should be defined clearly in writing.</p>	<p>Job description/person specification Pay and conditions of service Performance review/appraisal</p>	<p>The roles and responsibilities of all senior officers are clearly set out in their job descriptions. The Chief Executive conducts annual objective setting reviews for all Executive Directors.</p> <p>The Chief Executive conducts annual Performance Review and Monitoring for each Executive Director.</p> <p>The Scheme of Delegation refers to specific areas of delegated responsibility.</p>
<p>(m) Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved.</p>	<p>Protocols governing member/manager relations</p>	<p>The Council complies and refer to documentation under (a) above.</p>

Dimension 4: Risk Management and Internal Control

How the principles of corporate governance should be reflected.

An authority needs to establish and maintain a systematic strategy, framework and processes for managing risk. Together these arrangements should:

- include making public statements to stakeholders on the authority's risk management strategy, process and framework to demonstrate **accountability**
- include mechanisms for monitoring and reviewing **effectiveness** against agreed standard and targets and the operation of controls in practice
- demonstrate **integrity** by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks
- display **openness and inclusivity** by involving all those associated with planning and delivering services, including partners
- include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains **up to date**.

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
(a) Develop and maintain robust systems for identifying and evaluating all significant risk which involve the proactive participation of all those associated with planning and delivering services.	Control framework Scrutiny Performance management and planning system Risk Management guide	<ul style="list-style-type: none"> ◆ Audit Strategy ◆ Business Continuity Planning Group ◆ Coverage of all auditable control systems ◆ Risk assessment strategy ◆ Annual audit planning process ◆ Civil Emergency Plan ◆ Audit assignment process ◆ Risk Management Policy Statement and Risk Register System, forms the basis of monitoring the control, of operational and strategic risk. ◆ Health and Safety Corporate Action Plan and departmental support plans ◆ Risk Management Challenge Fund £200k dedicated to approved risk improvement projects annually ◆ Corporate & Departmental risk management groups ◆ Health and Safety Joint Consultative Committee ◆ RoSPA Health and Safety auditing ◆ Risk Management Strategy ◆ Risk Register system ◆ Corporate Risk Advisory Group
(b) Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used	Scheme of delegation Internal audit protocol Performance appraisal Performance management system Financial standards and regulations Risk Management guide	<ul style="list-style-type: none"> ◆ Scheme of Delegation / Financial Regulations ◆ Standing Orders Relating to Contracts ◆ Internal Audit function, including specialist audit skills ◆ Fire and Security Working Group ◆ Internal Audit Manual / APBs ◆ Budget Scrutiny Group ◆ Governance and Scrutiny Committee ◆ Annual Service Plans for Internal Audit clients ◆ Internal Control - Self Assessment Package

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use.</p>		<ul style="list-style-type: none"> ◆ IT Security Policy ◆ IT Strategy ◆ Audit reporting line direct to Chief Executive ◆ External Audit ◆ Self assessment package for internal controls ◆ Codes of Conduct ◆ Value for Money reviews by Internal and External Audit ◆ Statutory Inspections ◆ Risk Manager / Health & Safety ◆ Corporate Procurement Strategy ◆ RoSPA Health and Safety auditing arrangement ◆ Risk Management Centre ◆ Risk Management Challenge Fund Bid ◆ Corporate & Departmental Risk Management Groups (RMG's). Education and Social Services each now has its own RMG due to the divergence of risks and size of the department – resulting in a more focused approach. ◆ Following the Public Pound ◆ Best Value Service Reviews ◆ Annual reporting to Committee of financial performance of all "arms-length" organisations ◆ Monitoring of risk registers by both the Corporate Management Team and Departmental Management Teams, allowing risk information to flow down to the Corporate Risk Management Group and vice versa. ◆ Outposted Finance Staff ◆ National Fraud Initiative Working Group ◆ Procurement Strategy ◆ Risk Register System

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
(c) Ensure that services are delivered by trained and experienced people.	Job description/person specification Training plan.	<ul style="list-style-type: none"> ◆ Job Description / person specification ◆ EAGER process / Continuing Professional Development ◆ Within school settings teachers undergo annual Performance Review and Development (PRD) sessions with line managers ◆ Training and Development Needs plans ◆ Best Value Regime / European Foundation for Quality Management ◆ Internal Audit Manual ◆ Recruited specialist professionally qualified staff ◆ Audit tools – hardware and software to support staff ◆ Effective recruitment & selection ◆ Service reviews to ensure best use of staff ◆ Targeted recruitment in occupations where it is difficult to recruit ◆ Qualified Risk Manager ◆ Code of Practice for Internal Audit in Local Government in the UK ◆ Quality Assurance processes ◆ Risk Management Training Course developed and delivered to all members of Risk Management Groups. ◆ Risk Register System. ◆ Trades Competency based scheme ◆ Trades Apprentices ◆ Professional and vocational training ◆ Continuous Professional Development

<p>(d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit.</p>	<p>Performance management system</p>	<ul style="list-style-type: none"> ◆ Internal Audit <ul style="list-style-type: none"> - Authority - Independence - Reporting Line ◆ Audit reporting to Corporate Governance Committee ◆ Audit Brief and planning process ◆ Post Audit appraisal ◆ External Audit ◆ Risk assessment process and appointment of Risk Assessment Manager ◆ Chief Executive's Health & Safety Strategic Review Group ◆ Corporate Risk Advisory Group ◆ RoSPA Auditing ◆ Action taken on Audit Scotland reviews ◆ Risk Management Strategy ◆ Departmental Quality Assurance Systems ◆ Governance & Scrutiny Committee
<p>(e) Maintain an objective and professional relationship with their external auditors and statutory inspectors.</p>	<p>Inspection report Annual audit letter and other audit reports Audit protocol</p>	<ul style="list-style-type: none"> ◆ Regular meetings with External Audit ◆ Internal Audit reports passed to External Audit for information ◆ External Audit programme of work ◆ External Audit Management Letter including Action Plan ◆ Food Standards Agency ◆ Education and Social Work Inspectorates ◆ Procedure note on contact arrangements with the External Auditor ◆ Communities Scotland ◆ Audit and Inspection Protocol
<p>(f) Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness.</p>		<ul style="list-style-type: none"> ◆ External Audit statement on the financial accounts and processes ◆ Statement on the System of Internal Control (SSIFC) by Executive Head of Finance ◆ Chief Auditor's mid year plan performance report to clients and Members ◆ Chief Auditor's Annual Report to Committee ◆ Risk Management Strategy ◆ Risk Management Reports

Dimension 5: Standards of Conduct

How the principles of corporate governance should be reflected.

The openness, integrity and accountability of individuals within a local authority form the cornerstone of effective corporate governance. The reputation of the authority depends on the standards of behaviour of everyone in it, whether members, employees or agent contracted to it.

Therefore, members and senior officers of local authority will need to:

- exercise leadership by conducting themselves as role models for others within the authority to follow
- define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:
 - **accountability**, through establishing systems for investigation breaches and disciplinary problems and taking actions where appropriate, including arrangements for redress
 - **effectiveness** in practice through monitoring their compliance
 - that objectivity and impartiality are maintained in all relationships to demonstrate integrity
 - that such standards are documented and clearly understood to display **openness and inclusivity** and are reviewed on a regular basis to ensure that they are kept **up to date**.

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
<p>(a) Develop and adopt formal codes of conduct defining the standards of personal behaviour, to which individual Members, Officers, and agents of the Authority should be required to subscribe and put in place appropriate systems and processes to ensure that they are complied with in practice.</p>	<p>Members'/Officers' Code of Conduct Anti fraud and corruption policy Complaints procedures Performance management system Performance appraisal.</p>	<p>The Council operates a protocol for Member/Officer relations; a Code of Conduct for Employees; a Complaints Procedure and an Anti Fraud Strategy. IT User and Security Policy.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p>
<p>(b) 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>	<p>Standing Orders Codes of Conduct Financial Regulations.</p>	<p>The Council complies through its procedural documentation including Standing Orders, Standing Orders relating to contracts; Financial Regulations; Scheme of Delegation; Councillors' Code of Conduct introduced under the Ethical Standards in Public Life etc (Scotland) Act 2000 and Code of Conduct for Employees. Register of Members Interests. Register of Gifts and Hospitality.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p>

Requirements of Corporate Governance	Council documents or processes to which reference may be made to demonstrate compliance	Demonstration of Local Compliance
(c) Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.	Codes of Conduct.	<p>The Council has fully endorsed the Councillors' Code of Conduct introduced under the Ethical Standards in Public Life etc (Scotland) Act 2000 and has provided a copy of the Code to all Councillors together with appropriate training. The Council's commitment to the Code has been incorporated into the Council's Standing Orders. The Code of Conduct for Councillors includes a protocol for relations between Councillors and employees.</p> <p>These are being updated in line with revised democratic decision making structures agreed by the Council on 17 May 2007.</p> <p>The Council has adopted a Code of Conduct for Employees.</p>
(d) Put in place arrangements for whistle blowing to which staff and all those contracting with the Council have access.	Whistle blowing policy.	The Council has introduced a whistle-blowing policy.

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Appendix 3 – Corporate Governance Improvement Action Plan 2007/08

Action Required	Lead Officer	Timetable
Dimension 1 – Community Focus		
<p>The following actions have been agreed as part of the Audit of BV & CP Improvement Agenda:</p> <ul style="list-style-type: none"> • Undertake a Sustainability Audit, • Produce a Sustainability Strategy with associated Action Plan. 	Executive Director of Neighbourhood Services	March 2008
<p>Finalisation of a comprehensive Public Performance Strategy, including consultation. Through the Officer Working Group on Public Performance Reporting, the further development of the strategy will include:</p> <ul style="list-style-type: none"> • A comprehensive mapping exercise to establish the current scope of Public Performance Reporting throughout the Council • Consultation with stakeholders • Conclusion of a strategy which will include our high level commitments to Public Performance Reporting. 	Executive Head of Finance and Asset Management	March 2008
<p>A Gender Equality Scheme will be prepared for Council approval in June 2007. Thereafter it will be implemented across the Council. This rollout will include:</p> <ul style="list-style-type: none"> • training for staff and Members • the establishment of a Member scrutiny group • the development of departmental action plans <p>This will give the Council the three schemes required covering Race, Disability, and Gender, in line with national guidelines.</p>	Depute Chief Executive/ Executive Director of Corporate Support	March 2008
<p>The Local Transport Strategy, involving rigorous consultation with community and external partner organisations, will be produced in the coming year.</p>	Executive Director of Neighbourhood Services	March 2008

Dimension 2 – Service Delivery Arrangements		
The CIPFA/LASAAC Guidance Note 'A Best Value Approach to Trading Accounts', will be integrated into the current Best Value Service Review of Roads and Transportation.	Executive Director of Neighbourhood Services	March 2008
Ensure the effective implementation of the new thematic Action Plans for Community Planning	Depute Chief Executive/ Executive Director of Corporate Support	March 2008
Dimension 3 – Structures and Processes		
Following the recommendations made in the Audit of Best Value & Community Planning, further develop systematic scrutiny arrangements to maximise member challenge of performance and decisions made.	Depute Chief Executive/ Executive Director of Corporate Support	March 2008
Continue, from 06/07, to demonstrate the achievement of significant cost reductions through the application of modern procurement/purchasing arrangements. This will include: <ul style="list-style-type: none"> • Completion of roll out of ePS within the Department of Corporate Support; • Commencement of roll out of ePS within the Department of Educational & Social Services; • Development of a common platform for purchasing throughout the Council, and integration of procurement with new financial systems. 	Depute Chief Executive/ Executive Director of Corporate Support	March 2008
Members' Training <ul style="list-style-type: none"> • Finalise details of Elected Members' training programme and further develop the format of Elected Members individual development plans. • Develop guidance for Elected Members in respect of their representation as Members of East Ayrshire Council on external organisations. 	Depute Chief Executive/ Executive Director of Corporate Support	March 2008
Following the review of decision making arrangements, implement appropriate Community Planning structures at a strategic and operational level.	Depute Chief Executive/ Executive Director of Corporate Support	March 2008

Review Local Committee arrangements to strengthen links with the Community Planning structures and with partner organisations, and so strengthen community engagement.	Depute Chief Executive/Executive Director of Corporate Support	March 2008
Dimension 4 – Risk Management and Internal Control		
Reconfigure the IT based Risk Register System to reflect revised management arrangements from April 2007.	Executive Head of Finance and Asset Management	March 2008
Deliver a fully operational CCTV and Risk Management Centre, and maximise the benefits and opportunities arising from its establishment.	Executive Director of Neighbourhood Services	March 2008
Progress the implementation of the medium and long term action plan points included in the Council's adopted Corporate Asset Management Strategy, in line with the Best Value Improvement Agenda.	Executive Head of Finance and Asset Management	March 2008
Introduce a consolidated Anti-fraud and Anti-corruption Strategy.	Executive Head of Finance and Asset Management	March 2008
Introduce a revised internet/email acceptable use policy.	Depute Chief Executive/Executive Director of Corporate Support	March 2008
Dimension 5 – Standards of Conduct		
Members' Code of Conduct: <ul style="list-style-type: none"> • Deliver presentations on planning issues for Elected Members. • Staff training Seminar will be arranged on declaration of interest issues. 	Depute Chief Executive/Executive Director of Corporate Support	March 2008

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