

Item: 4

Monitoring and Audit Committee: 10 June 2021.

Local Code of Corporate Governance:

Annual Assessment and Improvement Plan.

Report by Chief Executive.

1. Purpose of Report

To consider the annual self-assessment for 2020/21 of the Council's compliance with its Local Code of Corporate Governance and Improvement Action Plan for 2021/22.

2. Recommendations

The Committee is invited to note:

2.1.

That the Council's annual self-assessment process against the Local Code of Corporate Governance has been carried out for 2020/21 as part of the Council's annual review of the effectiveness of its governance framework, including the system of internal control, based on the Chartered Institute of Public Finance and Accountancy Framework.

2.2.

That the Senior Management Team has undertaken an evaluation of the Council's compliance with the Local Code of Corporate Governance as part of the preparation of the Annual Governance Statement, which forms part of the Statement of Accounts.

2.3.

The Improvement Action Plan, attached as Appendix 1 to this report, which addresses identified improvements with regard to the Local Code of Corporate Governance.

3. Background

3.1.

The Council is required to maintain a Local Code of Corporate Governance which is consistent with the Chartered Institute of Public Finance and Accountancy Delivering Good Governance in Local Government Framework, and to conduct an annual self-assessment of its compliance with the Local Code.

3.2.

The Council's Local Code of Corporate Governance was updated in 2017 in line with the revised 2016 edition of the Chartered Institute of Public Finance and Accountancy Framework and adopted at the meeting of the Policy and Resources Committee on 26 September 2017.

4. Annual Assessment and Improvement Action Plan

4.1.

Each year, every council service management team reviews the Local Code of Corporate Governance self-assessment template, populating it with evidence of compliance with the principles, sub-principles and requirements of the Chartered Institute of Public Finance and Accountancy Framework. The completed template is presented to the Senior Management Team for review and for the allocation of a collective self-assessment score to each principle, prior to the preparation of an Improvement Action Plan. Compliance is evidenced by examples of documentation and processes which are locally equivalent to Chartered Institute of Public Finance and Accountancy's examples of supporting evidence for monitoring and evaluation purposes.

4.2.

The Council's compliance with the requirements of the Chartered Institute of Public Finance and Accountancy Framework is rated on a scale of 1 to 4 as follows:

- 1 – not compliant with the requirement.
- 2 – partially compliant with the requirement.
- 3 – fully compliant with the requirement.
- 4 – exceeds the requirement.

4.3.

Following the 2020/21 self-assessment process, the completed self-assessment was scrutinised by the Senior Management Team as being 3.

4.4.

The 2020/21 assessment did not generate any scores of 1 or 2. However, in the course of the self-assessment exercise, service management teams identified a number of updates and improvements which could be made to existing corporate governance arrangements. All of these actions have been incorporated into the Local Code of Corporate Governance Improvement Action Plan for 2021/22, attached as Appendix 1 to this report.

4.5.

Actions arising from areas of weakness identified in the Annual Governance Statement for 2020/21 will be added, once available, to the Improvement Action Plan.

5. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

There are no financial implications arising directly from this report.

6.2.

Where a review of the Council's governance arrangements reveals gaps or weaknesses, appropriate action requires to be taken. This will involve officer time to devise action plans and put into place appropriate arrangements to ensure more effective governance going forward.

7. Legal Aspects

Having sound governance arrangements in place helps to ensure that the Council complies with its statutory obligations, including the achievement of best value.

8. Contact Officers

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9. Appendix

Appendix 1: Local Code of Corporate Governance Improvement Action Plan 2021/22.

Local Code of Corporate Governance

Improvement Action Plan 2021 to 2022

Number.	Reference.	Sub-principle.	Improvement action.	Service.	Owner.	Start Date.	Target Date.
1.	A1. Page 5.	Behaving with integrity.	Complete the annual review of the Council's Scheme of Administration and Scheme of Delegation (delayed by pandemic).	Chief Executive's Service	Karen Greaves.	1 April 2021.	31 March 2022.
2.	A2. Page 8.	Demonstrating strong commitment to ethical values.	Provide better scrutiny of planning applications submitted by planning officials and chief officers by agreeing that these applications should be determined by Committee and not by officers, in liaison with the Chief Executive's Service in reviewing the Schemes of Delegation and Administration.	Development and Infrastructure.	Gavin Barr.	1 April 2021.	31 March 2022.
3.	B1. Page 15.	Openness.	Approve IJB Communication and Engagement Strategy.	Orkney Health and Care.	Stephen Brown.	1 April 2021.	31 March 2022.
4.	B2. Page 19.	Engaging comprehensively with institutional stakeholders.	Review and update the Scheme for Community Councils.	Chief Executive's Service.	Karen Greaves.	1 April 2021.	31 March 2022.
5.	B2. Page 19.	Engaging comprehensively with institutional stakeholders.	Review Orkney's Armed Forces Community Covenant subject to the enactment of the Armed Forces Bill.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022.

Number.	Reference.	Sub-principle.	Improvement action.	Service.	Owner.	Start Date.	Target Date.
6.	B3. Page 23.	Engaging with individual citizens and service users effectively.	Provide a refresher course for Elected Members in community consultation and engagement.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022.
7.	B3. Page 23.	Engaging with individual citizens and service users effectively.	Develop new Council policy and guidelines on Island Communities Impact Assessment.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022.
8.	C1. Page 26.	Defining outcomes.	Conduct a review of the Council Plan 2018-23 priorities and revise the Delivery Plan as required with regard to any changed commitments or timescales arising from the Covid-19 emergency and recovery programme.	Chief Executive's Service.	Karen Greaves.	1 April 2021.	31 March 2022.
9.	C1. Page 26.	Defining outcomes.	Develop and publish a new Community Plan / Local Outcomes Improvement Plan for 2021-23 to reflect the Partnership's new strategic priorities.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022.
10.	C2. Page 30.	Sustainable economic, social and environmental benefits.	Ensure that any Council obligations arising from recommendations of the Climate Emergency Short Life Working Group, that have been agreed by the Orkney Partnership Board, are embedded within the appropriate Council planning and performance reporting documentation.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022.
11.	D1. Page 33.	Determining interventions.	Submit revised Capital Project Appraisal process and new long-term strategic	Development and Infrastructure.	Gavin Barr.	1 April 2021.	31 March 2022.

Number.	Reference.	Sub-principle.	Improvement action.	Service.	Owner.	Start Date.	Target Date.
			priorities to Council for approval in 2020-21.				
12.	D1. Page 33.	Determining interventions.	Finalise the IJB's Strategic Commissioning Implementation Plan.	Orkney Health and Care.	Stephen Brown.	1 April 2021.	30 June 2021.
13.	D1. Page 33.	Determining interventions.	Support the Orkney Partnership Board to select the locality for the Orkney Partnership's second Locality Plan and establish a process to draft the plan.	Corporate Services.	Karen Greaves.	1 April 2021.	30 June 2022.
14.	D2. Page 37.	Planning interventions.	Locality plans for OHAC are required by statute and will be developed in 2021-22.	Orkney Health and Care.	Stephen Brown.	1 April 2021.	31 March 2022.
15.	D3. Page 40.	Optimising achievement of intended outcomes.	Develop a new Joint Resourcing Plan for the Orkney Partnership to supplement the new Local Outcomes Improvement Plan 2021-23.	Corporate Services.	Karen Greaves.	1 April 2021.	31 March 2022
16.	E2. Page 47.	Developing the capability of the entity's leadership and other individuals.	Improve ERD performance by encouraging managers to undertake ERDs. Engage with HR to review tools and process for ERD to increase number of managers undertaking ERDs within the required timescales.	Development and Infrastructure.	Gavin Barr.	1 April 2021.	31 March 2022.
17.	F1. Page 50.	Managing risk.	Present the 2020-21 COG Annual Report to the IJB, the ELH Committee, the Council, the Board of NHS Orkney, the Scottish Police Authority and the Orkney Community Planning Partnership Board.	Orkney Health and Care.	Stephen Brown.	1 April 2021.	31 March 2022.
18.	F3. Page 57.	Robust internal control.	Review and update the Council's Efficiency Strategy.	Chief Executive's Service.	Gareth Waterson.	1 April 2021.	31 March 2022.

Number.	Reference.	Sub-principle.	Improvement action.	Service.	Owner.	Start Date.	Target Date.
19.	F3. Page 57.	Robust internal control.	Complete the review of the New Horizon system, supported by the Improvement Support Team.	Development and Infrastructure.	Gavin Barr.	1 April 2021.	31 March 2022.
20.	F4. Page 60.	Managing data.	Action on interface between GLOW and Council systems.	Education, Leisure and Housing.	James Wylie.	1 April 2021.	31 March 2022.
21.	G2. Page 68.	Implementing good practices in reporting.	Manage a Short Life Working Group to progress actions arising from the Ministerial review of IJBs.	Orkney Health and Care.	Stephen Brown.	1 April 2021.	31 March 2022.
22.	G3. Page 71.	Assurance and effective accountability.	Conduct an internal audit of waste procedures as per HSE inspection criteria.	Development and Infrastructure.	Gavin Barr.	1 April 2021.	31 March 2022.