



Northumberland  
County Council

# Local Code of Corporate Governance



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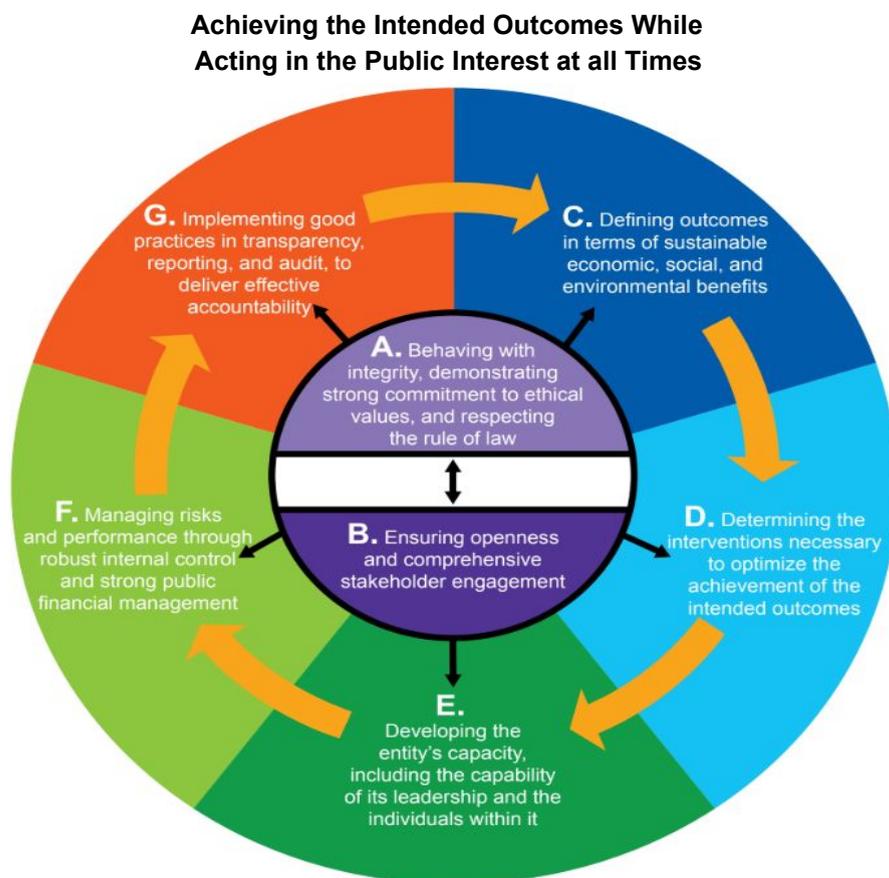
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## INTRODUCTION

In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce *The International Framework: Good Governance in the Public Sector*, which defines governance as the ‘*arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved*’.

The International Framework states that in order to deliver good governance in the public sector, ‘*both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times*’. This implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

The diagram below illustrates the core principles of good governance in the public sector and how they relate to each other:



Principles A and B permeates implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that organisations as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

In 2016, CIPFA in association with the Society of Local Authority Chief Executives (SOLACE) took the International Framework’s core principles (and sub-principles) and interpreted them for a local government context. It revised and reissued its ‘*Delivering Good Governance in Local Government; Framework*’ (the 2016 Framework).

The 2016 Framework sets the standard for local authority governance in the UK. 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.

The purpose of the Framework is to assist authorities individually 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 according to 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

The Accounts and Audit Regulations 2015 require a local authority to review at least once a year the effectiveness of its system of internal control.

This requirement will be fulfilled if the review is conducted in accordance with the 2016 Framework. A statement reporting on the review must be included in an Annual Governance Statement and published with the Statement of Accounts.

The Annual Governance Statement must be “prepared in accordance with proper practices in relation to accounts”. To help meet this requirement, this code has been produced in accordance with the Framework.

## **NORTHUMBERLAND COUNTY COUNCIL APPROACH**

In Northumberland, good governance is about how the Council ensures that it is doing the right things, in the right way and for the benefit of the communities it serves.

The Council expects all of its members, officers and contractors to adhere to the highest standards of public service with particular reference to the adopted Codes of Conduct, the Constitution and policies of the Council as well as the applicable statutory requirements.

Good governance will invariably lead to high standards of management, strong performance, the effective use of resources and good outcomes which in turn will lead to increased public trust.

The Council is committed to the seven core principles of good practice contained in the 2016 CIPFA framework and will test its governance arrangements against this framework and report annually. In order to confirm this, we test our governance arrangements by:

- ***Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness.*** Our Local Code has been written to reflect the Council’s own structure, functions, and the governance arrangements in existence. It comprises the policies, procedures, behaviours, actions and values by which the Council is controlled and governed. The Local Code of Governance is reviewed on an annual basis to ensure that it is kept up to date. Where the review identifies that changes are required to the code, the revised Code will be submitted to the Audit Committee for comments and amendments before including on the Council’s website.

- **Reviewing existing governance arrangements.** The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date. This review will include an assessment of the effectiveness of the processes contained within the Local Code.

This includes assessments such as:

- Annual service level reviews of assurance arrangements
  - Head of Internal Audit Annual Report and overall opinion
  - Review of the Constitution
  - Scrutiny Report to Council
  - Review of the Corporate Risk Register
  - External Audit Annual ISA 260 Report
  - Statements from the Monitoring Officer, Section 151 Officer and Head of Internal Audit Service regarding the use of their statutory powers and compliance with professional requirements.
  - The opinions of other external review agencies and inspectorates
- **Reporting publicly on compliance with our own code on an annual basis and on how we have monitored the effectiveness of our governance arrangements in the year and on planned changes.** Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review at least once in a year of the effectiveness of our systems of internal control and include a statement reporting on the review with our published statement of Accounts. This is known as the Annual Governance Statement. The Chief Executive and Leader of the Council certify the Annual Governance Statement to accompany the Annual Accounts which will:
    - assess how the Council has complied with our Local Code
    - provide an opinion on the effectiveness of the Council's governance arrangements
    - provide details of how continual improvement in the systems of governance will be achieved.

The Council's Local Code of Corporate Governance covers the seven core principles of good governance which bring together the main elements of Council business.

The tables below take each of the principles of good governance in turn and sets out why it is important, and the systems, processes and principles the Council has put in place to ensure good corporate governance.

## Principle A: Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

### Why this is important:

The Council is accountable not only for how much they spend, but also for how it uses the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, it can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

### How we meet this principle:

- **Northumberland County Council Constitution** - The Council Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. Some processes are required by law, while others are specific to Northumberland County Council.
- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the authority.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is and will deliver the corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Officer Code of Conduct** - This policy provides a guide to managers and employees on what the Council considers appropriate in relation to conduct. The policy embraces the seven principles of public life which were drawn up by the Nolan Committee and endorsed by Parliament.
- **Members Code of Conduct** - The member's code of conduct is part of the Council's constitution which sets out the conduct that is expected of elected and co-opted members of the Council when they are acting in that capacity.
- **Corporate Induction Programme** - All new employees must complete the corporate induction programme prior to commencing their post. This structured induction period ensures that new employees feel welcome, valued and settled in their new role. This then forms the basis from which employees can quickly get up to speed, perform their duties effectively and begin to make a contribution to their team, their directorate / service and the Council. Induction is not a 'one off' event, it is a process which actually starts during recruitment and appointment through to the completion of a successful probationary period.
- **Statutory and Mandatory Training Programme** - The Council has a rolling programme of training for all staff. Progress is monitored on a monthly basis at Service level and at the Workforce Committee with multi level dashboard reports produced by HR.
- **Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental to the services that the Council provides, starting with effective Induction for new members and staff and thereafter annual objective setting, via the annual appraisal process, which also looks at continued training for work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process.
- **Meeting Conduct** - All staff who attend meetings do so in a professional manner, ensuring good conduct at all times. All key meetings are chaired to ensure full inclusion of all participants, and actions taken.
- **Council Procurement** - Suppliers and contractors are procured in line with Council procurement policy and legislation, using a combination of framework agreements and tenders.
- **Complaints Policy, Procedure and Appeals Process** - All complaints are managed through the Council's formal complaints procedure. Dissatisfaction with the outcome of internal complaint investigations have recourse to the relevant Local Government Ombudsman. There is a procedure in place for reporting and administering complaints against Members including breaches of the Member Code of Conduct which is accessible on the Council website.
- **Members' Allowances** - Members' Allowances are set by an independent remuneration panel. All the numbers produced are gross figures with allowances being subject to tax. The members' allowance scheme can be viewed on the Council website.
- **Member's Declaration of Interests** - Elected Members declare their interests and these are published on the Council website which is refreshed annually.
- **Whistleblowing Policy and Procedure and Safecall** - The Council has a Whistle Blowing Policy and Procedure in place. This policy is supplemented by Safecall, which has been put in place to allow a confidential Whistleblowing service for employees and to give staff assurance that information can be provided confidentially and if necessary on an anonymous basis.
- **Disciplinary Policy and Procedure** - The Disciplinary Policy and its procedures are designed to encourage improvement in an individual's conduct. The aim of the policy is to ensure uniformity of treatment for all individual employees, ensure the efficient and smooth running of the organisation, ensure that management, unions and employees are aware of their rights and obligations in respect of disciplinary processes, ensure that the strictest

confidentiality is preserved at all stages of the process and to ensure compliance with relevant employment, other relevant legislation and ACAS guidelines.

- **Centralised Recruitment** - Centralised Recruitment is led by the HR Team and ensures that the appropriate level of professional oversight and support can be offered to ensure that the Council operates a high quality, safe and efficient recruitment service helping to attract the right people.
- **Annual Equality Information Report and Equality Impact Assessment Procedure** - The current equality information report shows what the Council believes are key equality issues, what we have in place already, and what improvements are required. The report gives a summary of the main issues and the appendices provide more detail. Equality Impact Assessments are carried out for budget savings proposals and changes to Council services.
- **Annual Staff Survey and Action Plans** - The Council's Annual Staff Survey measures the level of engagement and satisfaction of all employees and determines employees' understanding of, and belief in, the Council vision and values, organisational objectives and elected members priorities. Results of each survey are analysed; trends are identified and subsequent action plans are developed for delivery in advance of the following year's survey.
- **Anti-fraud and Corruption Policies** - The Council has a dedicated corporate fraud team who investigate fraud and irregularity allegations. There is a dedicated web page and the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The Council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014) and participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.
- **Information Governance (FOI, EIR, SAR, Data Protection, GDPR and Supporting Policies)** - The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000. The Council has an appointed Information Governance Officer and ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.
- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints of description. Council Health and Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions. Agendas, reports and minutes are published on the council's website. Meetings are open to the public, unless in the case of exempt items. Records of decision making and supporting materials are published on the County Council website
- **Internal Audit (Shared Service)** - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.

## Principle B: Ensuring openness and comprehensive stakeholder engagement

### Why this is important:

Local government is run for the public good. The Council should therefore ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

### How we meet this principle:

- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the Council.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.
- **Online Council Tax Information** - Council Tax Information is available on the Council website, which includes explanations for parish and social care precepts
- **Transparency** - Council Transparency pages are available on the website. Information provided includes spending and procurement, organisational information, senior officer salaries, open data and details of council land.
- **Stakeholder Engagement** - Council officers, senior managers and elected members regularly consult with a wide range of stakeholders depending on the topic and relevant audience. Key stakeholders include our local MPs, elected members, district leaders and chief executives, other public sector organisations and our voluntary and community sector bodies. The Council has arrangements to engage with all sections of the community including hard to reach groups, this includes funding and support for the Northumberland VCS Assembly.
- **Consultations** - All consultations are conducted in line with the best practice guidance set out by the Cabinet Office in 2016. Public consultations are published on council webpages and social media platforms. The most recent example is the Libraries Consultation (March 2020). The Council also has also engaged the Northumberland Peoples' Panel, which is a group of residents who have registered to be involved in consultation exercises with the council.
- **Surveys** - The council surveys residents frequently. Examples include Residents Survey, National Highways and Transport Survey, Waste Management Annual Survey.
- **Information Governance, Freedom of Information (FOI) Act publication scheme and EIR scheme** - The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000. The Council ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.
- **Elected Members and Senior Officer Partnership** - Service Directors meet regularly with Cabinet Members to ensure they are fully briefed regarding service delivery.
- **Staff Communications** - Key service and corporate messages are communicated via appropriate channels across the Council, including staff newsletters, chief executive briefings and the staff intranet.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions. Agendas, reports and minutes are published on the council's website. Meetings are open to the public unless in the case of exempt items. Record of decision making and supporting materials published on the County Council website
- **Committee Report Templates** - Officers use standard report templates for committee and executive reports to help ensure that readers are provided with information that is accurate, complete and unbiased. Reports make clear the options available so that the implications of all decisions and strategic risks can be assessed before those decisions are made.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are

automatically updated to reflect the new data. This information is available to the public via the Council Website.

- **Internal Audit** (Shared Service) - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.
- **Northumberland County Council Website** - The Council has a vital role in communicating and interacting with Northumberland residents and visitors. As well as holding a significant amount of information including service specific webpages, residents can access services and report a problem through the Council 'Top Tasks' feature. Webpages are updated on a regular basis and include key 'alert' information such as school closures, highways activities and road closures and bin collection changes.
- **Social Media Communications** - The Council uses social media to reach a growing number of residents and stakeholders to improve community engagement. It also publishes a council newsletter and has an active website.
- **Northumberland Town and Parish Council Charter** - Local councils are an important part of local government and the Council works in close partnership with local councils, aiming to connect with local communities, understand their needs and respond to their priorities. In turn, local councils recognise the strategic role of the County Council and the equitable distribution of services that it has to achieve. The aim is to deliver services and activities for residents, businesses and visitors that make Northumberland a great place to live, work and visit. The revised Charter (2019) has been developed in partnership with all Northumberland Town and Parish Councils and represents a mutual agreement between the two tiers of local government.

## Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

### Why this is important:

The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

### How we meet this principle:

- **Council Vision and Values and Corporate Plan** - The Council Corporate Plan for 2018 to 2021 is the main strategic planning document and is a clear statement of the vision, strategic aims and policy priorities of the Council. Priority outcomes identified are:
  - *Feel safe, valued, and part of your community*
  - *Live in distinctive vibrant places, which you value and in which you feel proud*
  - *You can easily get to work, to learning, and to the various facilities and services you want to use*
  - *Regardless of your age, have the right qualifications and skills to secure a good job that pays well and provides the prospect of a rewarding career*
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan and priority outcomes. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.
- **Budget Monitoring Activities** - Led by Corporate Finance, the Council has a well-established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to enable budgetary control and ensure service delivery and the achievement of strategic priorities and outcomes.
- **Performance Management Framework** - Corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Transformation Board** - The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council's Transformation Programme. Programme and project benefits are clearly defined and agreed by the board and progress and performance are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints. Council Health and Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.
- **North East LEP** - Northumberland is a key partner of the North East Local Enterprise Partnership (North East LEP). The LEP is a public, private and education sector partnership and is responsible for promoting and developing economic growth in the local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. The LEP produces the NE Strategic Economic Plan, which acts as a blueprint for the activities that need to take place to improve the north east economy, including Northumberland.
- **North of Tyne Combined Authority** - Bringing together the communities of Newcastle, North Tyneside and Northumberland, devolution and the creation of the North of Tyne Combined Authority enables targeted investment where it is needed most across the three local authority areas and provides a stronger connection between economic growth and providing people with the skills, education and confidence to benefit from the opportunities that will follow.

## Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

### Why this is important:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council needs robust decision-making mechanisms to ensure that its defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

### How we meet this principle:

- **Corporate Risk Register** - The Council has a legal duty under the Accounts and Audit Regulations 2015 to maintain a sound system of internal control, including effective arrangements for the management of risk. A risk hierarchy has been established within the County Council in which risk is managed at corporate, service strategic and operational levels. This includes assessing the likelihood of risks materialising, and the impact if they were to materialise, along with controls established or necessary to introduce to mitigate the risk at each level in the hierarchy, in addition to project risks. Risks are reviewed at each level in the hierarchy on an established periodic basis.
- **Service Statements** - Annual Service Statements are prepared by each Head of Service. They include key information on the services' operational activities, resources, priorities and performance. Collectively, they set out how the council is delivering its corporate plan. Service Plans and priorities are regularly reviewed to reflect shared values and vision.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Budget Monitoring Activities** - Led by Corporate Finance, the council has a well established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to ensure budgetary control. Budget holders hold monthly budget monitoring sessions in partnership with Finance Business Partners to monitor budgets and ensure robust financial planning and management.
- **Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental in the services we provide, starting with effective Induction for new members and staff and thereafter annual objective setting via the annual appraisal process which also looks at continued training for work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process.
- **Performance Management Framework** - The Council's corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Workforce Committee** - The Council has a well-established monthly directorate level scrutiny of workforce performance dashboards with a deep dive conducted bi-monthly within the Workforce Committee mechanism.
- **Scheme of Delegation** - The council's Scheme of Delegation sets out how different types of planning applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff. These decisions are made under 'delegated powers'.

## Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

### Why this is important:

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which the Council operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

### How we meet this principle:

- **Staff Induction, Annual Performance Appraisals and 6 Monthly Review Process** - Continuing development of staff is fundamental in the services we provide, starting with effective Induction for new members and staff and thereafter annual objective setting via the annual appraisal process which also looks at continued training for work related activities and statutory and mandatory training. Self assessment of individuals against the organisational core values, competencies and behavioural success factors are built in to the annual performance management and appraisal process. Employees have access to update courses and information briefings on new legislation through the Policy Digest and Chief Executive Briefings.
- **Officer Code of Conduct and Members Code of Conduct** - The policy provides a guide to managers and employees on what the Council considers appropriate in relation to conduct. The policy embraces the seven principles of public life which were drawn up by the Nolan Committee and endorsed by Parliament.
- **Human Resources and Organisational Development Strategy** - The HR/OD strategy has been redrafted to align with the corporate plan providing prioritised targeted themes and action plans to improve employee engagement through the 'Enabling' and 'Engaging' workstreams. Further work has also been undertaken to align these workstreams to the 8 transformation workstreams powered by the Executive Team.
- **Centralised Recruitment** - The recruitment service led by the HR Team ensures that the appropriate level of professional oversight and support is offered, to ensure we operate a high quality, safe and efficient recruitment service helping to attract the right people. HR policies and procedures are developed incorporating relevant guidance on equalities and diversity requirements, safer recruitment, and employment checks.
- **Job Descriptions** - Job descriptions are in place for council employees which have been correctly evaluated using the agreed Job Evaluation criteria and processes. Job descriptions for Members have been revised and Members are directly supported by dedicated member support staff who oversee and update the signing of Acceptance of Office, Declarations of Interest, personal information forms and DBS clearance where required.
- **Leadership and Development Programme** - From Level 3 - Level 7, providing accredited development and chartered professional status for leaders and managers across the organisation.
- **Apprenticeship Scheme** - Apprenticeship pathways are identified, procured and offered to support workforce development and promote succession planning and talent management opportunities. Funding from the Apprenticeship Levy is used to support employees to acquire professional qualifications.
- **Traineeships and supported internships** are utilised to help develop talent, build capacity and capability whilst supporting key strategic priorities within the Corporate Plan.
- **Northumberland Youth Cabinet** - The Northumberland Youth Cabinet is an elected body of 11 to 19-year-olds, representing the views of young people across Northumberland. The youth cabinet takes issues on a local level to decision makers, in order to influence change. They have a backing of young people to take forward their ideas and turn them into campaigns. The Youth Cabinet develop projects based on issues they campaigned for in their election manifestos. These issues include topics such as young people and democracy.
- **Business Continuity Planning** - The Council prepares and plans for emergencies to help protect and support communities when emergencies occur. In order to do this, the Council identifies, examines and records key risks and prepares appropriate emergency response plans, trains staff and tests these arrangements. The work is coordinated by the Civil Contingencies Team based at Northumberland Fire and Rescue Service headquarters and is conducted in collaboration with multi-agency partners who share the Council's objectives in community protection.
- **Annual Staff Survey and Action Plans** - The Council's Annual Staff Survey measures the level of engagement and satisfaction of all employees and determines employees' understanding of, and belief in, the Council mission, vision and values, organisational objectives and elected members priorities. Results of each survey are analysed; trends are identified and subsequent action plans are developed for delivery in advance of the following year's survey.
- **Monthly Business Leadership Team (BLT) Events** - Senior Managers in the service attend BLT events which focus on Corporate initiatives and keep managers up to date with corporate issues.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Scheme of Delegation** - The Council's Scheme of Delegation sets out how different types of planning

applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff. These decisions are made under 'delegated powers'.

- **Health and Safety Framework** - The Corporate Health and Safety Team provides support and advice to managers and other employees of the Council including, monitoring of incidents, accidents, claims and complaints. Training is developed in response to certain incidents and complaints. Council Health and Safety policies are designed to protect and enhance the welfare of staff and are actively promoted and monitored.
- **Wellbeing** - The Council demonstrates a commitment to ensuring the health and wellbeing of its employees and has received 'Continuing Excellence' in the North East Better Health at Work Awards (the highest option) which recognises actions in addressing health issues within the workplace. The workplace Health and Wellbeing provision offers employees:
  - Manager-led occupational health referral system
  - Shared occupational health service with Northumbria Healthcare NHS Trust which offers various services including a qualified psychologist and a physiotherapist
  - Personal counselling helpline available for all staff to access
  - Public Health service with a staff member responsible for Workplace Health
  - A non-denominational Faith and Chaplaincy/Independent Listening Service
  - Mandatory stress awareness training for all staff
  - Stress Management training

## Principle F: Managing risks and performance through robust internal control and strong public financial management

### Why this is important:

The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

### How we meet this principle:

- **Internal Audit** (Shared Service) - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit.
- **External Audit of Financial Statements** - Each year the External Auditor audits the Council's financial statements and presents their findings and opinions to the Audit Committee in an 'Audit Results Report'. This ensures that the Audit Committee can receive and consider the Audit Results Report when considering approval of the County Council's accounts, prior to the statutory deadline each year.
- **Annual Governance Statement** - Recommendations in the Annual Governance Statement inform positive improvement actions within the Council's governance arrangements. The Corporate Governance Improvement plan is included as part of the AGS and the Service Level Governance Improvement Plans are reported to the Audit Committee.
- **Corporate Risk Register** - The Council has a legal duty under the Accounts and Audit Regulations 2015 to maintain a sound system of internal control, including effective arrangements for the management of risk. A risk hierarchy has been established within the County Council in which risk is managed at corporate, service strategic and operational levels. This includes assessing the likelihood of risks materialising, and the impact if they were to materialise, along with controls established or necessary to introduce to mitigate the risk at each level in the hierarchy, in addition to project risks. Risks are reviewed at each level in the hierarchy on an established periodic basis.
- **Business Continuity** - The Council prepares and plans for emergencies to help protect and support communities when emergencies occur. In order to do this, the Council identifies, examines and records key risks and prepares appropriate emergency response plans, trains staff and tests these arrangements. The work is coordinated by the Civil Contingencies Team based at Northumberland Fire and Rescue Service headquarters and is conducted in collaboration with multi-agency partners who share the Council's objectives in community protection.
- **Northumberland County Council Constitution** - The Council Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. Some processes are required by law, while others are specific to Northumberland County Council.
- **Transparency** - The Council is compliant with the Local Government Transparency Code 2015. Required data is published on the County Councils web site.
- **Transformation Board** - The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council's Transformation Programme. Programme and project benefits are clearly defined and agreed by the board. Progress, performance and risks are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.

- **Data Quality Policy** – The purpose of the Data Quality Policy is to set out the Council's approach to managing and improving data quality across the organisation. It covers all Council data across all services and functions. The policy is aimed at managers but is relevant to all employees.
- **Workforce Committee** – The Council has a well-established monthly directorate level scrutiny of workforce performance dashboards with a deep dive conducted bi-monthly within the Workforce Committee mechanism.
- **Budget Monitoring Activities** - Led by Corporate Finance, the Council has a well-established process of monitoring income and expenditure, with key budget holders and decision makers taking corrective action to ensure budgetary control.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Medium Term Financial Plan (MTFP)** - The Council has a long established process of operating a medium term approach to its financial planning. A key step to this process is a review of the plan at least on an annual basis and the approval of a detailed budget and Council Tax level for the coming year. In doing this, the Council takes a proactive approach and considers future year demands on services and resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term.
- **Shared Procurement Service** - The Council's Procurement service provides a sustainable professional procurement service which adds value to Council stakeholders and supports delivery of cost improvement programmes for each stakeholder. The team engages with suppliers to negotiate the best contract or purchase, based on a balance of achieving efficiency savings and meeting the social, economic and environmental goals of the Council. Procurement procedures are documented in the Procurement Regulations. The Council promotes sustainable procurement with the following criteria being the main target areas:
  - Investment in communities
  - Ensuring good value for money
  - Impact of community business
  - Socially responsible decisions
  - Community resilience
  - Volunteers
  - Reduce demand for public services
  - Fairness and Transparency
- **Committee Meetings** - Agenda, minutes of Committees and any associated reports with recommendations to the Executive are available via the County Council's website
- **Anti-fraud and corruption policies** - Northumberland County Council have a dedicated corporate fraud team, who investigate fraud and irregularity allegations. As well as a dedicated web page the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014). The Council participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.
- **Safeguarding** - The Council has frameworks in place in relation to child and adult safeguarding
- **Schemes of Delegation** - The council's Scheme of Delegation sets out how different types of planning applications are determined. The vast majority of applications are determined through the authorisation of planning officer's recommendations by senior members of staff and decisions are made under 'delegated powers'.

## Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

### Why this is important:

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### How we meet this principle:

- **Annual Governance Statement** - The Annual Governance Statement sets out the Council's governance framework and the results of the reviews of effectiveness of the Council's arrangements. The AGS includes areas for improvement and is considered by the Audit Committee.
- **Internal Audit (Shared Service)** - The Internal Audit team is statutorily required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes throughout the Council. Internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Compliance with the Public Sector Internal Audit Standards is mandatory for all Internal Audit service providers in local government, including the shared Internal Audit service. As required by the Public Sector Internal Audit Standards, the Internal Audit service reports functionally to the Audit Committee which fulfils the role of the 'Board' under those Standards. Under the Accounts and Audit Regulations 2015, Internal Audit has a statutory right of access to all information necessary for the purposes of internal audit. Internal Audit report to the Audit Committee on the key outcomes of Internal Audits completed on a bi-annual basis with a summary of audits undertaken, opinion levels, good practice identified, issues identified and actions taken since the audit was completed. In addition to this they also provide the Audit Committee with details of evidence checking undertaken by them to ensure that recommendations stated by management as implemented have actually been undertaken. Internal Audit also has responsibility for investigating possible irregularities. The aim is to give assurance to management and members that certain processes operate in an efficient and effective manner and ensure the integrity of transactions.
- **Financial Statements Publication** - Annual Financial Statements are compiled, published to timetable and included on the Council's website. This includes the External Auditors audit report on the Council's financial statements and arrangements for securing Value for Money.
- **Performance Management Framework** - Our corporate performance management arrangements include the corporate plan, service statements and a high-level performance framework. The Council uses three corporate scorecards which keep sight of activities that are important in terms of customer care and corporate standards; statutory and regulatory measures; and focused improvement areas. Measures held in the corporate performance system are updated as soon as new data is available and the corporate scorecards are automatically updated to reflect the new data. This information is available to the public via the Council's website.
- **Transformation Board** - The Transformation Board is responsible for agreeing, overseeing and leading on the delivery of the Council's Transformation Programme. Programme and project benefits are clearly defined and agreed by the board and progress and performance are reported and analysed monthly at meetings with key decisions being made to ensure the delivery of the programme.
- **Information Governance (FOI, EIR, SAR, Data Protection, GDPR and Supporting Policies)** - The Council holds a huge amount of information, including sensitive personal data. This data needs to be handled in a discreet manner in order to protect people's identities, reputations and privacy, as well as keeping within legal requirements. There are many regulations that define how information and data need to be handled and protected including: The Data Protection Act 1998 (DPA) and GDPR and The Freedom of Information Act 2000. The Council has an appointed Information Governance Officer and ensures that it conforms to all legal and statutory requirements, holds all information securely, holds all personal information confidentially, obtains information fairly and lawfully, records information accurately and reliably, uses information effectively and ethically, shares information appropriately and lawfully, makes available non-confidential information wherever possible to the public via the Council's website (Open Data) and reviews and disposes of information and records no longer required securely.
- **Cabinet, Overview and Scrutiny Committee** - Key decisions of services are considered by the Council's Cabinet as required, and as such are subject to pre-scrutiny by the relevant Overview and Scrutiny Committee. Delegated decision reports are prepared for all significant decisions.
- **Annual Equality Information Report and Equality Impact Assessment Procedure** - The current equality information report shows what the Council believes are the key equality issues, what we have in place already, and what else is required. The report gives a summary of the main issues and the appendices provide more detail. Equality Impact Assessments are carried out for budget savings proposals and changes to Council services.
- **Northumberland County Council Website** - The Council has a vital role in communicating and interacting with Northumberland residents and visitors. As well as holding a significant amount of information including service specific webpages, residents can access services and report a problem through the Council 'Top Tasks' feature. Webpages are updated on a regular basis and include key information on school closures, highways activities

and bin collections. Committee agendas, reports and minutes are published on the Council's website.

- **Anti-fraud and corruption policies** - Northumberland County Council has a dedicated corporate fraud team, who investigate fraud and irregularity allegations. As well as a dedicated web page the Council has a number of supporting policies including the Anti Money Laundering Policy, Bribery and Corruption Policy and Counter Fraud Policy. The Council complies with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014). The Council participates in the National Fraud Initiative data matching exercise to assist in the prevention and detection of fraud.

## MONITORING AND REVIEW

Each year the Council is required to publish a Governance Statement. The **Annual Governance Statement** provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks, together with proposed improvements that will be made. This governance review process helps inform any amendments required to this Code of Corporate Governance.

The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be reviewed by our External Auditors as part of their annual audit process.

The **Council** as a whole is responsible for agreeing the Constitution, which underpins the Council's governance arrangements. Through appropriate appointments to its committees, the Council can ensure that governance is in place throughout the organisation, and is operating effectively.

Our **Audit Committee** is a key component of Northumberland County Council's corporate governance arrangements. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit Committee is to provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment.

It provides independent review of Northumberland County Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Audit Committee's responsibilities with regards to governance, risk and control are:

- To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

- To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- To monitor the effective development and operation of risk management in the Council.
- To monitor progress in addressing risk-related issues reported to the Committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- To monitor the counter-fraud strategy, actions and resources.

The Council also has four **Overview and Scrutiny Committees** who support the work of the cabinet and the council as a whole. They allow citizens to have a greater say in council matters by holding inquiries into matters of local concern.

Overview and scrutiny committees also monitor the decisions of the Cabinet. The scrutiny process allows for a decision made by the cabinet, but not yet implemented, to be 'called in'. This enables them to consider whether the decision is appropriate. Members may recommend the cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

Overview and scrutiny committees must report annually to the council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

The **Standards Committee** has responsibility for ensuring adherence to the Code of Conduct for Members, in line with the Localism Act 2011, by:

- Promoting and maintaining high standards of conduct by councillors, town and parish councillors, co-opted members and church and parent governor representatives.
- Assisting the councillors, town and parish councillors, co-opted members and church and parent governor representatives to observe the Members' Code of Conduct.
- Advising the Council on the adoption or revision of the Members' Code of Conduct.
- Monitoring the operation of the Members' Code of Conduct.
- Advising, training or arranging to train councillors, town and parish councillors, co-opted members and church and parent governor representatives on matters relating to the Members' Code of Conduct.
- Granting dispensations to councillors, town and parish councillors, co-opted members, church and parent governor representatives from requirements relating to Disclosable Pecuniary Interests set out in the Members' Code of Conduct.
- Assessing and reviewing complaints about councillors and conducting determinations' hearings.
- Granting exemptions for politically restricted posts.

The Council's **Internal Audit** Service plays a key role in the assessment of the control environment, and will make suggestions for improvement where necessary. The Service operates in accordance with the Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards (2017) and the related Local Government Application Note (2019). Following wide consultation with stakeholders

and assessment of risk, a Strategic Audit Plan is presented annually to the Audit Committee to consider and review the planned work and proposed coverage of Internal Audit. Preparation of a Strategic Audit Plan ensures that Internal Audit resources are deployed in areas that will provide optimum benefit and value to the Authority. This is key to Internal Audit achieving its objectives as an independent assurance function for the Authority and to provide an independent and objective opinion on the adequacy and effectiveness of the framework of governance, risk management and control.

The **Head of Internal Audit** is required to provide an independent opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it.

The Council's **Monitoring Officer** has responsibility for ensuring that the Council acts within its legal powers at all times. The Monitoring Officer has responsibility for promoting and maintaining high standards of conduct and reporting any actual or potential breaches of the law or administration to the full Council and/or to the Policy Board as set out in Section 5 (1) of the Local Government and Housing Act 1989.

The Council's **Section 151 Officer** is responsible for ensuring the proper administration of the Council's financial affairs, and has a duty to report formally any adverse matters, a requirement which is set out in the Constitution.

The **Head of Paid Service** is responsible for the corporate and overall strategic management of the Council's staff in accordance with Section 4 of the Local Government and Housing Act 1989.

The **External Auditors** review and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion). External Audit also review the Annual Governance Statement to assess if it accurately reflects their understanding of the Council.