

TORFAEN COUNTY BOROUGH COUNCIL: CODE OF CORPORATE GOVERNANCE

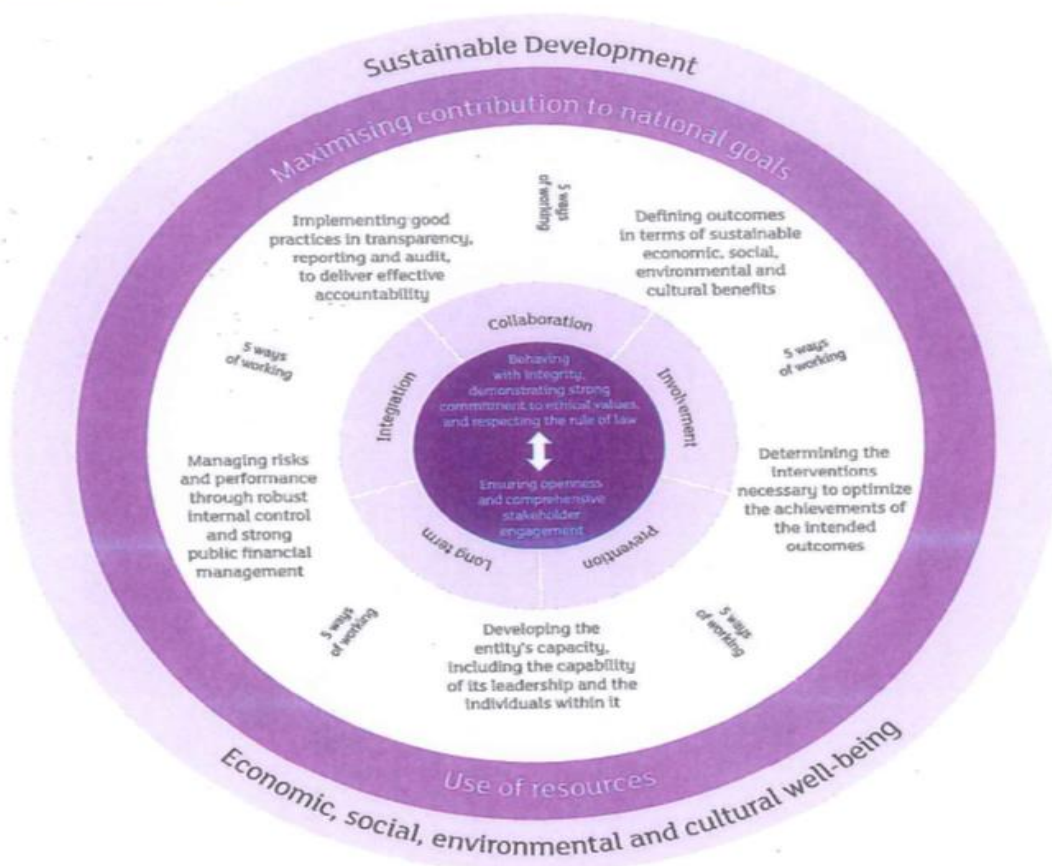
Introduction

1. This Code sets out Torfaen County Borough Council's approach to achieving and maintaining good corporate governance. It follows guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in 2016.
2. Corporate Governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives.
3. In order to maintain citizens' confidence, these mechanisms must be sound and be seen to be sound.

Governance Principles

4. The Council operates through a governance framework that brings together its legislative responsibilities and management processes with seven core governance principles. These are shown in the diagram below which sets out how the five ways of working identified by the The Wellbeing of Future Generations Act are linked to the seven core principles.

Well-being of Future Generations (Wales) Act 2015 and the International Framework



5. The Council commits itself to each of these principles including where we act collaboratively with partners as set out in our Collaboration Framework. There is now more emphasis on the attainment of sustainable, economic, societal and environmental outcomes as a key focus of governance processes and structures.

Monitoring, Review and Changes

6. The Council's commitment to good corporate governance includes the application, development and maintenance of this Code. The Leader and Chief Executive are responsible for the regular review of the governance systems and processes that are in place to ensure that they are applied and are effective. The Corporate Governance Review Group enables them to discharge this responsibility. The results of this review are contained in the Annual Governance Statement which is reported to the Audit Committee and then published with the Annual Statement of Accounts.

7. Where the review of the Council's governance arrangements reveals possible gaps or weaknesses, action is agreed to ensure effective governance in future. These actions are added to the Council's Action Plan for Governance & Improvement. This plan is monitored on a regular basis by the Council's Audit Committee to ensure effective and timely implementation.

8. Independent sources of assurance concerning the Code's suitability and effectiveness include Internal Audit, External Audit, the work of the Council's Ethics and Standards Committee, Audit Committee and the Council's Overview and Scrutiny Function.

9. Any changes that are required to this Code resulting from its review, from regulators' recommendations or from changes in legislation or recommended best practice will be considered by the Audit Committee and incorporated in the Council's Action Plan for Governance & Improvement. Where appropriate, changes will be submitted with their recommendations to the Cabinet and /or full Council for approval.

CIPFA GOVERNANCE FRAMEWORK 2016

To meet the requirements of this CORE / Sub principle the Council will:

This will be evidenced in TORFAEN by:

[Notes / Comments](#)

<u>CORE PRINCIPLE</u>	<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have 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, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>
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<u>sub-principles</u>		
<u>Behaving with integrity</u>	Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	Council's Published Values (Fair, Supportive, Effective). Webcasting of Council meetings Modern.gov and system of publishing reports and decisions in open and transparent manner.
	Ensure members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Constitution, Standing Orders Financial Regulations. SWOOP library of all policies and procedures
	Lead by example and using the above standard operating principles or values as a framework for decision making and other actions	Employee & Member Codes of Conduct. Officer and Member protocol (App 21 of the Constitution) Decision making model
	Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Swoop - Library of all policies and procedures Self Service Model Constitution (Standing prders and Financial Regulations)

<u>Demonstrating strong commitment to ethical values</u>	Seek to establish, monitor and maintain the organisation's ethical standards and performance	Ethics and Standards Committee in place Council's Vision & Values
	Underpin personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Registers of Interests; Declaration of members' interests at meetings; Dignity at work policy
	Develop and maintain robust policies and procedures which place emphasis on agreed ethical values	Employee & Member Codes of Conduct Confidential Reporting Code (Whistleblowing Policy) Equality Impact Assessment Programme Councils
	Ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	This will be explored further

<u>Respecting the rule of law</u>	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Constitution (incl Standing orders and Financial Regulations) Ensure that professional advice on matters that have legal, financial or equalities implications are taken and included in reports in advance of a decision taking place. Employee & Member Codes of Conduct
	Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	Responsibilities of Members and Statutory Officers outlined in Constitution. Decision Making - Scheme of delegation Local Protocol & Procedure (App 21 of Constitution) Webcasting of meetings Observing all specific legislative requirements placed upon the authority, as well as the requirements of general law, and in particular, by integrating the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decision making processes.

CIPFA GOVERNANCE FRAMEWORK 2016

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[Notes / Comments](#)

Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	Overview & Scrutiny Function Audit Committee Ethics & Standards Committee
Dealing with breaches of legal and regulatory provisions effectively	The Authority actively recognises the limits of lawful activity placed on them by, for example the ultra vires doctrine, but also striving to utilise their statutory powers to the full benefit of our communities.
Ensuring corruption and misuse of power are dealt with effectively	Anti Fraud & Corruption Strategy

CORE PRINCIPLE	B. Ensuring openness and comprehensive stakeholder engagement. Local government is run for the public good, organisations therefore should ensure openness in their 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.
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Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Ensuring that the authority as a whole is open and accessible to the community, service users and our staff, and that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so. Publication of all Committee Minutes, Agendas & Reports Of Council meetings Plan Questions at Council / Third Party Speaking rights in Planning Webcasting Torfaen Corporate Public
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Holding meetings in public unless there are good reasons for confidentiality. Business consultation on the budget Annual Statement of Accounts Officer considers Public Interest tests. The Wellbeing of Future Generations (Wales) Act Assessment (FGA) Standard reporting template / considerations Proper
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	Make clear throughout all the authority and to all staff and the community to whom the authority is accountable and for what. Effective Overview & Scrutiny function
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	Ensuring that clear channels of communication are in place with all sections of the community and other stakeholders, and by having in place monitoring arrangements to ensure that they operate effectively. Use of social media Council Website

Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Public Consultation Strategy Ensuring that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities, and by establishing explicit processes for dealing with these competing demands.
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	Collaboration Framework Public Service Board; Torfaen Together, Single Integrated Plan - annual reporting of performance
	Ensuring that partnerships are based on: trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit	Collaboration Framework Work constructively with partner organisation to deliver improved services. Commissioning framework scrutiny Member representation on the various partnership/collaborative models in place

CIPFA GOVERNANCE FRAMEWORK 2016

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Engaging with individual citizens and service users effectively	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	Communication Strategy Torfaen Talks Citizens Panel
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	MySay consultation portal Torfaen Talks Website
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	Use of Council Facebook & Twitter sites. Communication through all available Council channels Publication of performance information on internet site Communication through all available Council channels Publication of performance information on internet site
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account	Public Service Board (PSB) Engagement Framework
	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	Engagement with members of the Council's Citizens Panel
	Taking account of the impact of decisions on future generations of tax payers and service users	Requirements of the Future Generations Act (Wales) are considered in key decisions of the Council.

CORE PRINCIPLE	<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p>The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation'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</p>
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Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions	Develop and promote the authority's purpose and vision. Council's Corporate Plan (CP3) and associated Business Plan
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	Council's Annual Forward Facing Improvement Plan (published in the first quarter of each year) Council's Annual Performance Report (published by 31 October each year)
	Delivering defined outcomes on a sustainable basis within the resources that will be available	Council's Annual Budget setting process Medium Term Financial Plan (MTFP) Business Plan Forward Facing Improvement Plan Councils Wellbeing Statement
	Identifying and managing risks to the achievement of outcomes	Corporate Risk Management Group - quarterly monitoring and reporting of Risks to leadership Team, cabinet and Audit Committee.
	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	Council's Corporate Plan (CP3) priorities and associated Business Plan Annual Service Plans and Team Plans (published annually in April each year) Council Annual budget and Medium Term Financial Plan
	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	Decision making reports outline all factors to be taken into account to enable the most advantageous decision to be taken. Deciding how the quality of service for users is to be measured and making sure that the information needed to review service quality effectively and regularly is available. Equality Impact Assessment Programme Wellbeing of Future Generations (Wales) Act

CIPFA GOVERNANCE FRAMEWORK 2016

	To meet the requirements of this CORE / Sub principle the Council will:	This will be evidenced in TORFAEN by:
Sustainable economic, social and environmental benefits	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	When decisions are taken risks, longterm sustainability issues (FGWales Act) and finance are all taken into account to enable the most advantageous decision to be taken.
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	Measuring the environmental impact of policies, plans and decisions. Webcasting of key meetings (e.g. joint scrutiny of budget, performance etc)
	Ensuring fair access to services	Wellbeing of Future Generations (Wales) Act - the Torfaen Well-being integration tool which has been developed includes a section on 'A more equal Wales' which covers equalities issues.

[Notes / Comments](#)

<u>CORE PRINCIPLE</u>	<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes. Local government 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 local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their 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.</p>
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Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided	Reporting templates in use to ensure all options are considered to ensure informed decisions are made. All reports for decision circulated to legal, finance and equalities for comment.
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	Citizens Panel PSB wellbeing assessment of need consultation Annual residents survey Specific consultation on major initiatives Complaints are reported back to Cabinet and Leadership Team

Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Multi-year Service and Team plans which are subject to Overview and Scrutiny. All service plans contain performance targets/outputs Corporate Plan produced and updated on a regular basis outlining Service priorities. Single Integrated Plan. Annual Forward Facing Plan produced which outlines the Authority's Annual Improvement Objectives. MTFP
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	Citizens Panel PSB wellbeing assessment of need consultation Annual residents survey Annual staff survey Strategic engagement group Specific consultation on major initiatives Complaints procedure
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks	Risk management policy and register in place. Monitoring and reporting of risks occurs on a quarterly basis. Collaborative risks are included in TCBC risk register (reg EAS and SRS) or are part of Strategic partnerships such as the Local /Public Service Board.
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	Performance management system in place including Corporate Performance Assessment (CPA) and Executive Performance Review sessions. Inadequate performance may result in changes to how services are delivered.

CIPFA GOVERNANCE FRAMEWORK 2016

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	To meet the requirements of this CORE / Sub principle the Council will:	This will be evidenced in TORFAEN by:
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Ffynon performance management system in place across all services. Six monthly Executive Member Performance Review and Sessions
	Ensuring capacity exists to generate the information required to review service quality regularly	Performance improvement team produce quarterly information that feeds a variety of corporate forums dealing with service performance. Individual team and services produce performance data that also feeds the above plus specific service performance review requirements.
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	Councils annual allocation of financial resources to deliver services is in accordance with Corporate Plan service priorities
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Three year service planning and four year medium term financial plan produced to support the Corporate Plan. Current Capital program covers a 5 year time period
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Medium term Financial Plan updated annually. Service Planning now being carried out over a 3 year time horizon
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	Business Engagement in annual budget process. 3 year service planning Scrutiny workshop around the annual budget process Budget timetable with full officer and member engagement
	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	3 year service planning Transformation agenda Effective ongoing budget monitoring and reporting
	Ensuring the achievement of 'social value' through service planning and commissioning	standard reporting template which incorporates the requirements of the FGA
<u>CORE PRINCIPLE</u>	<p style="color: green; text-decoration: underline;">E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p> <p style="color: green;">Local government 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. A local government organisation 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 an organisation 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 local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	Asset Management group in place to continually review and ensure effective use of assets. Corporate performance system in place to monitor performance (CPA, EM sessions, Ffynon, Annual performance report, overview and scrutiny of performance) Energy strategy Workforce plan / people plan
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently	Transformation Agenda eg. Phase 1 - Administration and Business Review, further phases to be implemented. CFO insights portal Business Plan

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[Notes / Comments](#)

Recognising the benefits of partnerships and collaborative working where added value can be achieved	Collaboration framework Wellbeing of Future Generations (Wales) Act - the Torfaen Well-being integration tool which has been developed includes a section on considering best method of service delivery Transformation Agenda
Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	Workforce Plan in place

Developing the capability of the entity's leadership and other individuals	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	The Constitution sets out a clearly the respective roles and responsibilities of the executive and of the executive's members individually, and the authority's approach towards putting this into practice
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Determining a scheme of delegation and reserve powers within the constitution, which includes formal schedule of those matters specifically reserved for collective decisions of the authority taking account of relevant legislation, and by ensuring that it is monitored and updated when required.
	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	The constitution sets out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers. Role descriptions in place for al members . Job Descriptions and person specifications
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <i>Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</i> <i>Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</i> <i>Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</i>	Ethics & Standards Committee monitor progress on member training and advice through work programme report at each meeting Member induction & training programme (including specific training where required by committees eg pension committee) Policy development Forums (PDFs) Leadership program (Academy Wales) Providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis. Developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed. Staff appraisals (Worksmart Reviews) Professional CPD Members on-line information hub
	Ensuring that there are structures in place to encourage public participation	Communication Strategy Mysay consultations Torfaen Talks Citizens Panel PSB Engagement Framework Co-opted members of scrutiny committee Social Media
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	Annual Corporate Self Assessment process Performance Appraisal system All inspection and Peer Review reports reported to Cabinet and Council and Audit Committee (as appropriate)
	Holding staff to account through regular performance reviews which take account of training or development needs	Worksmart Process Performance management reporting (Performance Indicators)
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Health and Safety Policies and Procedures On-line training SWOOP policies including advice & guidance Care First on-line employee system

CIPFA GOVERNANCE FRAMEWORK 2016

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[Notes / Comments](#)

CORE PRINCIPLE	<p>F. Managing risks and performance through robust internal control and strong public financial management. Local government 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.</p>	
Managing risk	<p>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p>	<p>Risks management is an integral part of the way the council does business. All service and team plans identify risks and are scored in accordance with the risk policy, mitigation procedures are identified. Risk management is embedded into the culture of the authority, where members and managers at all levels recognising that risk management is part of their role. All decision reports follow a corporate template which ensures 'risks' are fully considered in the decisions made.</p>
	<p>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</p>	<p>The Authority has an effective risk management policy and quarterly monitoring through the Risk management Group, leadership team and cabinet takes place.</p>
	<p>Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>All risks identified in the risk register have an accountable individual.</p>
Managing performance	<p>Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</p>	<p>Three year service and team planning Corporate Performance Assessment (CPA) Executive performance appraisal Quarterly budget monitoring and reporting (including savings monitoring) Annual performance monitoring report</p>
	<p>Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p>	<p>The Authority ensures that those making decisions, whether for the authority or partnerships, are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications.</p>
	<p>Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</p>	<p>Range of Overview and Scrutiny Committees in place covering all services to ensure effective scrutiny. Scrutiny handbook in place</p>
	<p>OR for a committee system- encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p>	<p>N/A</p>
	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>Corporate Performance Assessment (CPA) Executive performance appraisal Scrutiny reviews Annual performance - review by joint scrutiny</p>
	<p>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p>	<p>Budget setting, monitoring and out-turn reporting is based upon TCBC structure, this included reporting of delivery of mitigations</p>
	<p>Aligning the risk management strategy and policies on internal control with achieving objectives</p>	<p>Risk based audit plan in place, which is produced following review of systems in place, committee agenda papers and risk register to identify a comprehensive summary of areas requiring audit input.</p>

CIPFA GOVERNANCE FRAMEWORK 2016

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Robust internal control	Evaluating and monitoring risk management and internal control on a regular basis	Internal Audit has consistency achieved 90% of the annual audit plan for a number of years. This ensures comprehensive coverage and testing of the internal control system on an annual basis. Audit coverage includes non-financial areas of Governance such as risk management, performance management, decision making and partnership arrangements.
	Ensuring effective counter fraud and anti-corruption arrangements are in place	Council has a range of counter fraud arrangements in place: Anti-Fraud & Corruption Strategy Confidential Reporting Code (Maintaining effective arrangements for whistle –blowing which are easily accessible to officers, staff and all those contracting with or appointed by the authority) Whistleblowing Policy for School based staff Employee and member codes of conduct Anti Money Laundering Policy
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Head of Internal Audit Annual Report provides an opinion on the control framework, audit coverage include areas of governance in addition to financial systems.
	Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <i>provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon</i>	Audit Committee in place who report to Council on an annual basis. Audit Committee receives regular updates on the control environment and risk management. Audit Committee scrutinises the Annual Governance Statement before being presented to Council for approval. When Audit Committee make recommendations they are acted upon.
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	SIRO in place. Action plan in place to review and update Information Governance arrangements and policies.
	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Where appropriate information sharing protocols are in place.
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Report Authors / Heads of Service / Senior Managers responsible for the accuracy and quality of the data used in decision making and performance data. Service Improvement Team quality control the accuracy of data in calculating performance management data. Internal Audit plan includes audits of decision making process and performance management systems.
Strong public financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	The Council formally adopts on an annual basis a rolling four year medium term financial plan. Monthly management forecasting completed and reported to all service chief officers, supplemented with quarterly Cabinet reporting.
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Torfaen operates a devolved financial administration system, whereby budgets, and the supporting financial processes, are devolved to individual budget holders. These individuals are totally responsible and accountable for their budgets and the financial processes which are used within the provision of the service. Budget holders are involved in the preparation and monitoring of estimates. The Council sets budget guidelines on an annual basis, and holds meetings each year with all lead finance officers regarding the discussion of financial plans with service areas. The Council's financial policies and procedures, and its scheme of delegation set out respective responsibilities for officers and Members. The Council has a clear reserves policy that sets out why it has established each earmarked reserve, and its MTFP sets out the planned use of its reserves.

[Notes / Comments](#)

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<u>CORE PRINCIPLE</u>	<p style="color: green; margin: 0;">G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p> <p style="color: green; margin: 0; font-size: small;">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 organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	
<u>Implementing good practice in transparency</u>	<p>Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p>	<p>All reports follow an agreed template to ensure fairness and balance and consideration of all issues and options. All agenda papers, minutes, supporting documentation and webcasts are available via the Torfaen website.</p>
	<p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<p>Webcasting of meetings which enable the public and other stakeholders to watch Committee debates and discussions to supplement the written report.</p>
<u>Implementing good practices in reporting</u>	<p>Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</p>	<p>Annual performance report. External auditor provides an Annual Audit Letter which provides a summary of activities carried out including an opinion on the Annual Statement of Accounts and an opinion on whether the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>
	<p>Ensuring members and senior management own the results reported</p>	<p>Executive Members and Senior Management are clearly accountable for all aspects of service performance.</p>
	<p>Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</p>	<p>Governance Group set up with a revised terms of reference who ensure an annual review of effectiveness is carried out and an Annual Governance Statement prepared which is reported to both Audit Committee and Council.</p>
	<p>Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</p>	<p>Annual report produced on collaborative arrangements in place.</p>
	<p>Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</p>	<p>Annual Performance Report prepared and presented on a consistent basis to Overview and Scrutiny and Council.</p>
<u>Assurance and effective accountability</u>	<p>Ensuring that recommendations for corrective action made by external audit are acted upon</p>	<p>Single action plan methodology in place to collate and monitor (which is done by Audit Committee and/or relevant overview and scrutiny committee) on a quarterly basis.</p>
	<p>Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon</p>	<p>Audit Committee receives monthly reports on progress on the Internal Audit plan (which they have previously agreed). Head of Internal Audit annual report and opinion presented to Audit Committee.</p>
	<p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p>	<p>The Council is a 'Learning Council' and welcomes external challenge and review in order to improve service provision. The single action plan ensures that agreed recommendations and proposals for improvement are implemented.</p>
	<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	<p>The performance of services provided through 'Third Parties' is subject to the same monitoring processes as in-house provided services. In addition the LSB reports on performance of the outcomes relating to the Single Integrated Plan.</p>
	<p>Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</p>	<p>Collaboration Framework in place for all collaborative/shared service provision. Annual update to scrutiny committee on collaboration activity.</p>