

# **Item: 5**

**Monitoring and Audit Committee: 9 June 2022.**

**Local Code of Corporate Governance:**

**Annual Assessment and Improvement Plan.**

**Report by Corporate Director for Strategy, Performance and Business Solutions.**

## **1. Purpose of Report**

To consider the annual self-assessment for 2021/22 of the Council's compliance with its Local Code of Corporate Governance and Improvement Action Plan for 2022/23.

## **2. Recommendations**

The Committee is invited to note:

### **2.1.**

That the Council's annual self-assessment process against the Local Code of Corporate Governance has been carried out for 2021/22 as part of the Council's annual review of the effectiveness of its governance framework, including the system of internal control, based on the Chartered Institute of Public Finance and Accountancy Framework.

### **2.2.**

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

### **2.3.**

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

## **3. Background**

### **3.1.**

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

### **3.2.**

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

## **4. Annual Assessment and Improvement Action Plan**

### **4.1.**

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

### **4.2.**

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

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

### **4.3.**

Following the 2021/22 self-assessment process, the completed self-assessment was scrutinised by the Corporate Leadership Team at its meeting on 18 May 2022. The overall scores for all sub-principles were rated by the Corporate Leadership Team as being 3.

#### **4.4.**

The 2021/22 assessment did not generate any scores of 1 or 2. However, in the course of the self-assessment exercise, service management teams identified a number of planned updates and improvements which were scheduled to be made to existing corporate governance arrangements. All of these actions have been incorporated into the Local Code of Corporate Governance Improvement Action Plan for 2022/23, attached as Appendix 1 to this report.

#### **4.5.**

Actions arising from areas of weakness identified in the Annual Governance Statement for 2021/22 will be added, once available, to the Improvement Action Plan.

### **5. Corporate Governance**

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

### **6. Financial Implications**

#### **6.1.**

There are no financial implications arising directly from this report.

#### **6.2.**

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

### **7. Legal Aspects**

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

### **8. Contact Officers**

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## **9. Appendix**

Appendix 1: Local Code of Corporate Governance Improvement Action Plan  
2022/23.

# Appendix 1

## Local Code of Corporate Governance Self-Assessment 2021/22

### Improvement Action Plan

#### Key

SPBS Strategy, Performance and Business Solutions.

NSI Neighbourhood Services and Infrastructure.

ESR Enterprise and Sustainable Regeneration.

ELH Education, Leisure and Housing.

OHAC Orkney Health and Care.

<b>Sub-principle.</b>	<b>Planned updates and identified improvements.</b>
B1. Openness.	<ul style="list-style-type: none"><li>• Review how key documents such as Roads Maintenance Plan are publicised (NSI, 2022 - 23).</li></ul>
B2. Engaging comprehensively with institutional stakeholders.	<ul style="list-style-type: none"><li>• Increase profile of the Roads Safety Forum (NSI, 2022 - 23).</li></ul>
B3. Engaging with individual citizens and service users effectively.	<ul style="list-style-type: none"><li>• Provide training for Elected Members and refresher training for staff in community consultation and engagement (SPBS, 2022 - 23).</li><li>• The Council has undertaken a review of its Tenant Participation Strategy, including electronic processes for tenant participation, and will consult during 2022 / 23 (ELH, 2022 - 23).</li><li>• Review the Council's Communications and Engagement Strategy and publish an updated strategy in tandem with the Council Plan (SPBS, 2022 - 23).</li></ul>
C1. Defining outcomes.	<ul style="list-style-type: none"><li>• Develop a new Council Plan for 2023 - 26 (SPBS, 2022 - 23).</li><li>• Develop a new Community Plan (LOIP) for 2023 - 26 (SPBS, 2022 - 23).</li><li>• Develop new Service Plans for 2023 - 26 (all relevant Services, 2022 - 23).</li><li>• Develop new Orkney Local Development Plan (ESR, 2022 - 26).</li></ul>

<b>Sub-principle.</b>	<b>Planned updates and identified improvements.</b>
	<ul style="list-style-type: none"> <li>• Develop Harbour Masterplan (ESR, 2022 - 23).</li> <li>• Make Climate Change Officer full-time post (NSI, 2022 - 23).</li> <li>• Update Quarries Business Plan (NSI, 2022 - 23).</li> <li>• Develop a new Children's Services Plan for 2023 - 26 (ELH, 2022 - 23)</li> <li>• Develop a new Local Housing Strategy for 2023 - 28 (ELH, 2022 - 23).</li> </ul>
<p>C2. Sustainable economic, social and environmental benefits.</p>	<ul style="list-style-type: none"> <li>• Ensure that any Council obligations on the climate emergency contained within the Community Plan 2021 - 23 (and subsequent Community Plan for 2023 - 26) are embedded within the new Council Plan 2023 - 26 and other Council planning and performance reporting documentation as appropriate (SPBS, 2022 - 23).</li> <li>• Develop the Learning Estate Strategy (ELH, 2022 - 23).</li> </ul>
<p>D1. Determining interventions.</p>	<ul style="list-style-type: none"> <li>• Submit revised Capital Project Appraisal process and new long-term strategic priorities to Council for approval in 2022 - 23 (ESR, 2022 - 23).</li> <li>• Present options for future Locality Planning to the Orkney Partnership Board in June 2022 and develop a new Locality Plan(s) in tandem with the new LOIP for 2023 - 26 (SPBS, 2022 - 23).</li> <li>• Review self-assessment arrangements (SPBS, 2022 - 23).</li> <li>• Review of senior phase offer (ELH, 2022 - 23).</li> <li>• Review of the Education Service key indicators with Education Scotland (ELH, 2022 - 23).</li> <li>• Review of Leisure and Culture Services (ELH, 2022 - 23).</li> </ul>
<p>D2. Planning interventions.</p>	<ul style="list-style-type: none"> <li>• Locality plans for OHAC are required by statute and will be developed in 2022 - 23 (OHAC, 2022 - 23).</li> <li>• All services are developing Service Plans for 2023 - 26 in tandem with the new Council Plan 2022 - 27 (All relevant Services, 2022 - 23).</li> <li>• Establish a sustainable framework for the future planning, monitoring and reporting of children's services, including child poverty work (OHAC, 2022 - 23).</li> </ul>
<p>D3.</p>	<ul style="list-style-type: none"> <li>• Develop a new Joint Resourcing Plan for the Orkney Partnership to supplement the Local Outcomes</li> </ul>

<b>Sub-principle.</b>	<b>Planned updates and identified improvements.</b>
Optimising achievement of intended outcomes.	Improvement Plan for 2021 - 23 and update it to supplement the new LOIP for 2023 - 26 (SPBS, 2022 - 23). <ul style="list-style-type: none"> <li>• Review and update Efficiency Strategy (ESR, 2022 - 23).</li> </ul>
E1. Developing the entity's capacity.	<ul style="list-style-type: none"> <li>• Implement Planning and Environmental Health workforce plans (D&amp;I, 2022 - 23).</li> <li>• In partnership with the Improvement Service, conduct a review of The Orkney Partnership to determine its future direction, operation and support (SPBS, 2022 - 23).</li> <li>• Continue to roll out the Our People Our Plan programme of organisational development (SPBS, 2022 - 23).</li> <li>• Roll out the Investors in People initiative (SPBS, 2022-23).</li> </ul>
E2. Developing the capability of the entity's leadership and other individuals.	<ul style="list-style-type: none"> <li>• ERD scheme to be reviewed (SPBS, 2023 - 24).</li> </ul>
F1. Managing risk.	<ul style="list-style-type: none"> <li>• Present the 2021 - 22 COG Annual Report to the IJB, the Council, the Board of NHS Orkney, the Scottish Police Authority and the Orkney Community Planning Partnership Board (OHAC, 2022 - 23).</li> </ul>
F2. Managing performance.	<ul style="list-style-type: none"> <li>• Investigate options for Performance Management System for Ferries (ESR, 2022 - 23).</li> <li>• Publish annual reports for The Orkney Partnership for 2020 - 21 and 2021 - 22 (SPBS, 2022 - 23).</li> </ul>
F3. Robust internal control.	<ul style="list-style-type: none"> <li>• Complete the review of the New Horizon system, supported by the Improvement Support Team (NSI, 2022 - 23).</li> </ul>
G2. Implementing good practices in reporting.	<ul style="list-style-type: none"> <li>• Complete the development and commissioning of Engage Orkney as a community engagement facility suitable for use by The Orkney Partnership, the Council and other community planning partners (SPBS, 2022 - 23).</li> <li>• Review and update the Council's Local Code of Corporate Governance (SPBS, 2022 - 23).</li> </ul>