

# Causeway Coast and Glens Borough Council

## **Annual Governance Statement 2015/16**

### **Scope of Responsibility**

Causeway Coast and Glens Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

The Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council is required to prepare an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how The Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015", "in relation to the publication of a statement on internal control."

### **The Purpose of the Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Causeway Coast and Glens Borough Council for year ended 31 March 2016 and up to the date of approval of the financial statements.

## **The Governance Framework**

Causeway Coast and Glens Borough Council has been working to comply with those systems of Governance Arrangements identified in the Governance Framework. The statements below describe the key elements of the systems and processes that comprise the authority's governance arrangements.

### **1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.**

Council has produced the Corporate Strategy for 2015-2019, which was agreed by Council on 30<sup>th</sup> June 2015.

The Corporate Strategy was developed following an extensive consultation process which involved Councillors, senior managers within Council, and our local community including local businesses and the community/voluntary sector. An advertisement was also placed seeking comments from the public on our draft Corporate Strategy before it was finalised and adopted by Council

A copy of the Corporate Strategy has been made available to staff on the intranet and the public via the Causeway Coast and Glens Borough Council website. Hard copies have also been made available in the reception areas of Council facilities.

This Strategy sets out Council's Vision, Mission, Values and Strategic themes. The Plan identifies five strategic themes with associated outcomes.

Causeway Coast and Glens Borough Council is currently working with its Strategic Partners to develop the Causeway Coast and Glens Community Plan for March 2017. Ten Councillors have been nominated to participate on behalf of Council on the Strategic Partnership and they have been involved in developing a draft vision and strategic themes for the Community Plan. Consultation engagement work is currently on-going on the draft vision and themes with a range of tools being utilised to involve as many people within the community as possible. These include public meetings, questionnaires, group specific meetings, website, public advertisements, etc.

### **2. Reviewing the Council's vision and its implications for the Council's governance arrangements.**

The vision of the Causeway Coast and Glens Borough Council over the 2015-2019 timeframe is to

*“Maximise the benefits of our unique location and landscape by providing ambitious, accessible, innovative and efficient services which fulfil customer expectations”*

The mission of the Council for 2015-2019 is to

*“Improve the quality of life and well-being for all of our citizens and visitors by:-*

- *Providing effective and sustainable local public services*
- *Accelerating our economy and improving economic prosperity*
- *Placing local communities at the heart of decision making*
- *Protecting and enhancing our unique natural environment and assets;*  
*and*
- *Advocating for the area and our citizens in both local and international arenas*

The Causeway Coast and Glens Borough Council will deliver its services and meet its responsibilities to ratepayers and communities across the Council area by adhering to the following values :- Fairness, Excellence, Sustainability and Efficiency, Empowerment and Innovation.

The strategic themes identified in the Councils Corporate Strategy for 2015-19 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The strategic themes are as follows:-

- Leader and Champion
- Accelerating Our Economy and Contributing to Prosperity
- Innovation and Transformation
- Resilient, Healthy and Engaged Communities
- Protecting and Enhancing Our Environments and Assets

All reports presented to Council identify the Strategic Theme, ensuring alignment with Council objectives. A template has been developed for Committee and Council reports which clearly identifies the linkage to the Council Strategy with officers required to identify the Strategic Theme and Outcome the subject of the report will contribute to.

The corporate risk register identifies the factors which could prevent achievement of these objectives and each risk is assigned to a member of the Strategic Management Team (SMT). The Corporate Risk Register is updated by SMT and presented to Audit Committee on a quarterly basis.

**3. Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.**

Council is committed to providing quality services aligned to its strategic objectives and has commenced developing business plans for all key services.

The business plan template requires officers to identify relevant actions under each Strategic Theme and related Outcome. These actions are supported by

key performance indicators, timescales, lead officers, identification of internal and external partners and how the action links to the Council's Performance Plan.

Council continue to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with council services, within the allocated resources.

During the year Council considered all available information in deciding how best to deliver the services within the area.

#### **4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct, which is now mandatory, effective from 28<sup>th</sup> May 2014.

Training has been delivered in this area to elected members at training sessions on the Code of Conduct held on 7<sup>th</sup> June 2014, 1<sup>th</sup> June 2014, 1<sup>st</sup> July 2014, 1<sup>st</sup> July 2014, 30<sup>th</sup> July 2014.

Roles and responsibilities of Senior Officers are defined by job description, job specification, and terms and conditions of employment. There are no formal staff performance appraisal/ management systems in operation at present; however this initiative is currently being progressed.

All internal policies and procedures are available on Council's staff net for information, and are also included as part of the induction process for all new employees.

All Directors report to Council on a monthly basis, on areas of responsibility, and ensure Council are kept informed of progress within each service area.

In terms of decision making, all decisions taken by Committee are ratified by full council, with the exception of Planning Committee which has full council powers. There are 5 committees of Council and the meeting schedule is as follows:

Tuesday Week 1 – Environmental Services Committee

Tuesday Week 2 – Leisure and Development Committee

Tuesday Week 3 – Corporate Policy and Resources Committee

Tuesday Week 4 – Council Meeting

Wednesday Week 4 – Planning Meeting

Audit Committee – Quarterly – Audit Committee

Scrutiny is provided by the Audit Committee, Internal Audit (Co-Sourcing Arrangement) and the Local Government Auditor.

Council currently communicates with wider stakeholders through various engagement processes, meetings, Council Website, Social Media and through press and media releases. Internal communication systems include Councils intranet, Staff newsletter, email, written correspondence, working group minutes and a mixture of formal and informal team meetings.

## **5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.**

### Codes of Conduct of Members

The Northern Ireland Local Government Code of Conduct for councillors came into force on 28<sup>th</sup> May 2014.

A new Register of Interests has been circulated and training was offered to all members.

In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted by receipts as appropriate) and sign a declaration regarding their claim.

### Codes of Conduct for Officers

Council has adopted the "Code of Conduct for Local Government Officers", prepared by the Local Government Staff Commission. Officers are given a copy of their code on taking up appointment and failure to adhere to it is a disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council, and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the intranet. New policies and procedures are brought to the attention of staff and are also available via the Councils intranet system.

A register of gifts and hospitality is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

The induction process for all new staff includes a detailed explanation of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations and Health and Safety at Work.

Other supplementary codes of practice relating to the conduct expected of employees are available to staff via the Council's intranet system.

Mandatory training was provided to all staff in terms of Code of Conduct during the 2015/16 year.

**6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required managing risks.**

Causeway Coast and Glens Borough Council operates a system of standing orders for the regulation of the proceedings of the Council and Council business.

The Standing Orders are included within the Council's Constitution. A Council is required, under section 2 of the Local Government Act (Northern Ireland) 2014, to prepare and keep up to date a Constitution. Causeway Coast & Glens Borough Council adopted a new Constitution on 22<sup>nd</sup> September 2015. This Constitution governs how the Council operates, how decisions are made, and the procedures which are to be followed to ensure efficiency, transparency and accountability to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

The Constitution is divided into sixteen Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate Rules and Protocols within the document.

The Council is currently in the process of developing a Scheme of Delegation which will provide the framework and guidance for the delegation of powers to Committees of Council and to senior officers within the Council. The Scheme of Delegation will be included as part of the Constitution when finalised and adopted by Council.

Financial regulations are in places which are reviewed periodically, e.g. Purchasing Policies and Procedures, which detail policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures.

Council has also adopted a Risk Management Strategy, which requires the identification of Corporate and Departmental Risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed regularly. Internal audit facilitate a Risk Management Workshop once per annum. This is attended by all of the Strategic Management Team, along with Heads of Service with responsibility for operational issues. The output from this annual workshop forms the basis for the areas subject to Internal Audit for the year.

A Treasury Management Policy was approved by Council in December 2014. The policy was developed in the context of the Local Government Finance Act (NI) 2011 and the local Government (Capital Finance and Accounting) Regulations (NI) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year were also approved by Council. The

Treasury Management Strategy and Prudential Indicators for 2015/16 were prepared and approved by Causeway Coast and Glens Shadow Council in February 2015 as part of the Estimates process

Work continued during the year to update the Risk Register on an ongoing basis and significant progress has been made in terms of Corporate Health, Safety and Wellbeing. A further programme of work including a review of the Emergency Plan and Business Continuity Plan was progressed during 2015/16.

As we move forward following LGR, officers continue to collaborate with colleagues across Local Government to ensure commonality and consistency in approach in terms of updating policies and procedures.

## **7. Undertaking the core functions of an Audit Committee, as identified in CIPFA's *Audit Committees - Practical Guidance for Local Authorities*.**

Causeway Coast and Glens Borough Council operate a committee system, with the Audit Committee meeting once per quarter.

Representation on the Audit Committee is based on the d'hondt system, with 16 elected members, representative of each political party grouping in Council. A number of Council officers also attend the Audit Committee, along with Local Government Auditor and Internal Auditor (Co-sourcing Partner) The Audit Committee has an agreed terms of reference, outlining roles and remit.

The Audit Committee met on four occasions between April 2015 and March 2016, this included Internal Auditor and Local Government Audit representation. Following each meeting, minutes are circulated and approved by Council.

The internal audit function for Causeway Coast and Glens Borough Council is provided by both in-house Internal Audit and by Moore Stephens through an Internal Audit Co-Sourcing arrangement. This service was procured during 2015-16.

During the 2015-16 year internal audits were carried out in line with the internal audit plan. Various aspects of operating activities were sampled and examined to ensure the appropriate legislation, policies and procedures were adhered to and expenditure was lawful. Internal audit reports include award of assurance levels and recommendations for improvement. These audit reports are presented to the Audit Committee throughout the year.

## **8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Council has a shared legal service with Derry City and Strabane District Council based on a Service Level Agreement (SLA) agreed by Council in February 2015. Derry and Strabane District Council provides legal services to the Causeway Coast and Glens District Council under the terms agreed within the SLA and as part of the arrangement will base an Assistant Solicitor with Causeway Coast and Glens District Council.

The Council, under this arrangement has in-house day to day legal support and importantly access to the hub of legal advice from the wider pool of Solicitors in Derry and Strabane District Council.

There still remains the requirement for specialist legal advice, however, in the shared service arrangement, there may be opportunities to share costs given that there will be circumstances when both Councils will require the same advice.

Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures would also be available on the Staff Intranet.

In terms of lawful expenditure, workshops and special council meetings are held to discuss the proposals for the Estimates for the forthcoming year. This covers both Capital and Revenue Expenditure. Internal audit and Local Government Annual reports are also examined and discussed at these meetings, as well as the meetings of the Audit Committee. Council are issued with a summary report which forms the basis for discussion and decision making at the meetings.

As previously mentioned, Council appointed Moore Stephens as part of a co-sourcing internal audit arrangement. The Internal Audit plan covers a range of Council's main activities, financial and otherwise. Various aspects of operating activities have been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the Audit Committee.

In terms of service specific compliance, service departments are kept up to date in the following ways

- In house legal services
- Subscription to on line expertise e.g. HR - Legal-Island Email Service and Croners On-line Employment Law Information Service and Advice Line.
- Legal Advice when required - Council subscribe to DAS – Employment Advise as part of the annual Insurance programme.
- Officer Meetings – Service specific
- Various Forum
- Training and Development

The Clerk and Chief Executive is also the Council's Chief Financial Officer, as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision making, providing advice, and guidance and ensuring that expenditure is incurred lawfully.

The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The CFO is also supported by suitably qualified and experienced staff (including two qualified accountants) within the finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

#### **9. Whistle-blowing and for receiving and investigating complaints from the public.**

Council has a Whistle-Blowing policy and Anti-fraud, Bribe and Corruption Policy. Both policies were presented to the Audit Committee in June 2015 and approved by Council in July 2015. All staff were informed and copies of both documents are included in the Staff Induction Pack and also available on the Staff Intranet.

Council also operates a formal scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not satisfied with the response. Where a complainant remains dissatisfied s/he is advised to contact the Northern Ireland Ombudsman.

#### **10. Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training.**

Council has a limited training and development budget for both Members and Staff.

All relevant conferences and courses are circulated to Councillors at Council meetings. An Elected Members' Conference Attendance Policy was agreed by Council on 23<sup>rd</sup> February 2016.

Each Councillor has an allocated amount of money set aside for conferences and courses and capacity building. This covers course fees, travel and subsistence. This is monitored on a monthly basis to ensure the budget is not exceeded. This may include further education leading to a recognised qualification.

In terms of officers, training needs are identified on an ongoing basis.

A Further education policy exists for each of the legacy Councils.

Service specific training would be identified by managers and employees and the necessary arrangements made.

CCAG are progressing on a consistent and co-ordinated approach to training and development.

### **11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Council consults with various bodies in relation to important strategic or policy development matters. Provisions are in place for communication in various formats and languages if requested. Contacts have been made with a range of local providers (for example, Magilligan Prison has prepared Braille copies of documents for the Council) and the Local Government Staff Commission are in the process of producing a "call off" list of providers for use by all 11 Councils.

Council communicates via in various ways including press releases and public advertisements. A range of leaflets and publications are also available in public buildings across the Council area. The internet also provides information on services, council meetings, council minutes and the "Contact us" section on the webpage allows for enquiries, feedback or complaints to be submitted electronically.

Council also publishes a range of citizen advice leaflets which are available at public buildings in the Borough and also on line.

Council meetings are open to the press and members of the public, and minutes are published on the council's website and made available in public libraries and the Council Offices.

The Council also responds to Freedom of Information requests as received throughout the year.

### **Review of Effectiveness**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, comments made by the external auditors and the Audit and Governance Working Group which includes elected members representative

of the political membership of Council. The Internal Auditor carried out an annual programme of work in 2015/16 based upon the Annual Plan as agreed by Council.

Under the terms of reference for the Audit Committee, they are charged with responsibility for ensuring good stewardship of the Council's resources, and committed to making the Council, its working groups and departments more responsive to the audit function.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. The Internal Auditor forwards draft reports to the relevant Director/Head of Service, for Management comments, and responses. The reports are co-ordinated by the Internal Auditor and then issued in their final format, presented to the Audit Committee initially and then to Council.

During the year the Audit Committee reviewed Corporate Governance arrangements, Internal and External Audit Reports, and draft policies and procedures of internal control. The minutes of the Group are brought to full council for approval.

Governance and Risk is a standing item on the SMT Monthly agenda. The Internal Audit Plan and previous recommendations are monitored and reviewed to ensure progress is being made.

### **Significant Governance Issues**

The Corporate Risk Register is reviewed on a quarterly basis by the SMT, and presented to the Audit Committee thereafter.

The Corporate Risk Summary as at March 2016 included the following

- Financial pressures - Central government reductions in funding projects, National Insurance Pension Relief, Living Wage and Rates Support Grant
- Human Resources, staff capacity and workload and
- Legal Risks and Challenges particularly in relation to Planning

Council have continued to

- Deliver high performing services following the merging of 4 legacy Councils and Planning
- Take part in collaborative work
- Implement the Corporate Health and Safety Action

### **Local Government Reform**

The new councils came into existence on 26<sup>th</sup> May 2014, operating in shadow form until they take over full responsibility for local government on 1<sup>st</sup> April 2015 when the 26 existing councils cease to exist. The final accounts for

**Signed:** ..... **Date:** .....  
**Chair of Audit Committee**  
**Causeway Coast and Glens Borough Council**

**Signed:** ..... **Date:** .....  
**Chief Executive**  
**Causeway Coast and Glens Borough Council**