



Leading good governance and assurance

LGA Webinar, March 11th 2024

Dr Stephanie Snape

Councillor Simon Henig (Labour, Durham CC)

Heather Wills, LGA

www.local.gov.uk

1



Virtual workshop protocols

- Paper and pen to hand for taking notes
 - Please close other applications if you are struggling with connection (e.g. outlook, mail, social media etc.)
 - There is no recording
 - Mute when not speaking please
 - Chat function for discussions and questions
 - A copy of the powerpoint slides will be uploaded on the LGA website after the session
-

2

Our Programme

- Welcome and Introductions
 - Why is governance and assurance important?
 - What is governance and assurance?
 - Good governance and assurance: the how
 - What does leadership of good governance and assurance mean?
 - Support from the LGA
 - Sources of further information
 - Question & answer session
-

3

Some questions for you...

- Why are you attending the webinar?
- What do you want to get out of today?
- What are you hoping we will cover?

Please put your answers in the chat

4

Why is good governance and assurance important?

5

Importance of good governance and assurance

- It has **always** been important – accountability, openness, inclusiveness, value for money are key to democratic institutions
 - Contemporary changes in local government have increased the significance of work in this area:
 - Acute financial pressures
 - Advances in partnership working and collaboration
 - Partnerships with the private sector, other public agencies & the third & community sectors
 - Shared services
 - Shared chief executives and management teams
 - Number of examples of where governance has failed
-

6



What is governance and assurance?

7



Definitions of governance/assurance

- What do we mean by 'governance'?
- What is 'assurance'?

Have a go and please put your answers in the chat.

8

What is 'good governance'?

'it is about doing the right things in the right ways. It's about demonstrating accountability and transparency in our actions and decisions. It affects us all'.

'it 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'

'it requires robust systems and processes, effective leadership and high standards of behaviour, a culture based on openness and honesty and an external focus on the needs of service users and the public'


9

Governance is...

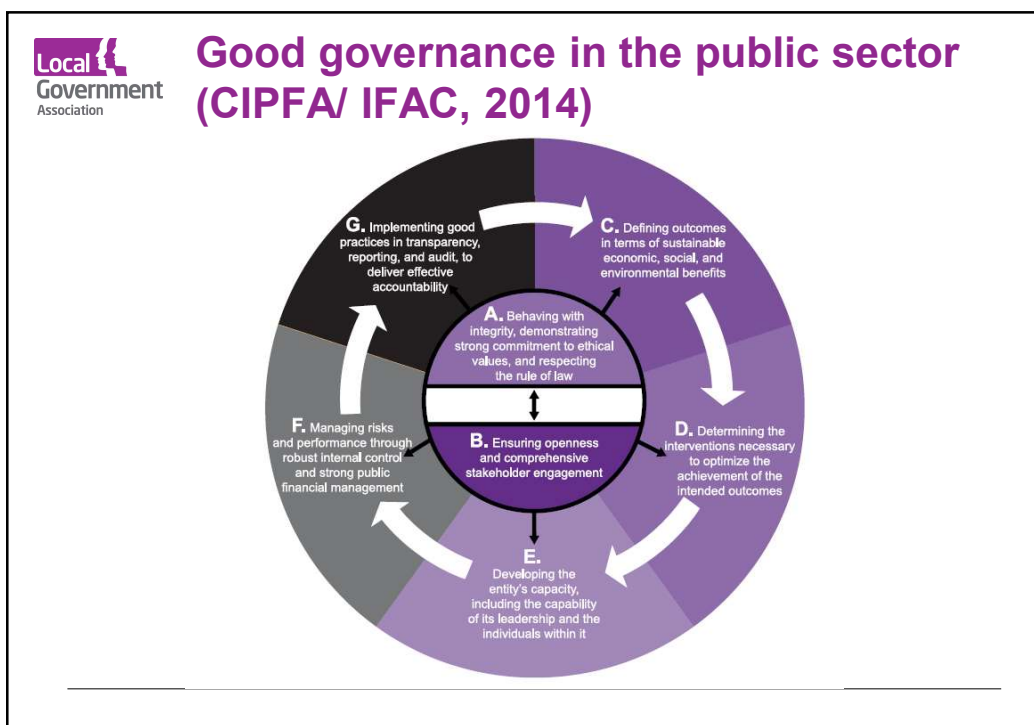
'Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

CIPFA/Solace Delivering Good Governance in Local Government: Framework, 2016

10

 The Nolan Principles: 7 Principles of Public Life	
Selflessness	To act solely in terms of public interest
Integrity	To declare & resolve conflicts of interest. To not act or take decisions to gain financial or other benefits. To not be influenced by obligations to people or organisations
Objectivity	To act & take decisions impartially, fairly and on merit, using the best evidence & without discrimination or bias
Accountability	To be accountable to the public for their decisions & actions and to submit themselves to necessary scrutiny
Openness	To act and take decisions in an open & transparent manner
Honesty	To be truthful
Leadership	To exhibit the above principles in their own behaviour. To actively promote and robustly support the principles and be willing to challenge poor behaviour

11



12



Good governance in the public sector (CIPFA/ IFAC, 2014) – Text only

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B. Ensuring openness and comprehensive stakeholder engagement
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - D. Determining the interventions necessary to optimize the achievement of the intended outcomes
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - F. Managing risks and performance through robust internal control and strong public financial management
 - G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
-

13



Assessing the effectiveness of the council's governance

- Does your council review the effectiveness of its governance and controls each year?
Do they use the International Framework (published in CIPFA/ SOLACE guidance) to do so?
- Do members in your council have a sense of what the council is doing well against this framework and where there is room for improvement?

We would welcome answers in the chat please.

14

Assurance is...

‘Information, evidence and evaluation of how local authorities are delivering their duties, functions and outcomes, which can be used to hold them to account and may give confidence. There should be no assumption that assurance will always be gained – in some cases the outcome will be “not assured”’

LGA, 2023

15

LGA draft principles of assurance and accountability

- Clarity – who is accountable for what?
- Proportionality
- A whole-council approach
- A culture of assurance and accountability
- Monitoring against standards / benchmarks / local targets
- Data quality / credibility of information
- Transparency / public accessibility / intelligibility of information

What are your views on these draft principles?
Do they work? Would you add anything?
We would welcome comments in the chat.

16

A few other things...part 1

- Financial governance is a subset of governance – one part of a greater picture
 - A key part of governance and assurance is emphasis on aims and objectives, vision and direction, purpose and fitness for purpose – **roles undertaken by political leadership**
 - The nature of decision-making is crucial – how decisions are made, how options and alternatives are evaluated are all key
 - Governance is multi-stranded and increasingly complex
 - Governance is a ‘whole systems’ concept and practice, involving wide range of stakeholders inside and outside of council
-

17

A few other things...part 2

- ‘Culture eats strategy’...how do we create a supportive culture? How do we shift unhelpful norms and ways of behaving?
 - Investing in good governance and assurance is a preventative strategy – mitigating risk of problems arising
 - It is an area that can be technical, legalistic, procedural. **How much does this get in the way of members understanding & leadership of the area?**
 - Governance guidance can seem a little ‘motherhood & apple pie’, rather general – how do we give it ‘bite’?
-

18


Governance and assurance: the how

19

What do councils do to assure themselves? – internal actions

<p>Corporate directors – operational delivery, benchmarking, clienting</p> <ul style="list-style-type: none"> • directorate assurance statements • project / programme management • data quality assurance • performance appraisals • ensure appropriate governance and reviews of joint ventures / local authority trading companies / partnerships • performance / finance / risk reporting, including: <ul style="list-style-type: none"> - corporate plan objectives delivery - statutory performance compliance (for example planning applications, Freedom of information requests) • national reporting (for example Adult Social Care Outcomes Framework (ASCOF)) • savings delivery • complaints • internal audit advice • children's / adults safeguarding boards • consultation / engagement • training / compliance with policies / processes (for example, procurement) 	<p>Head of paid service</p> <ul style="list-style-type: none"> • review corporate performance reporting to inform actions to ensure appropriate number, grades, organisation, management of staff for discharge of functions • ensure appropriately senior / skilled staff employed, including for: <ul style="list-style-type: none"> - risk management - health and safety - emergency planning • ensure appropriate person leads review of controls, consistent with CIPFA / SoSoc guidance • adopt / review whistleblowing policy 	<p>Corporate management team – operational and strategic delivery (including benchmarking)</p> <ul style="list-style-type: none"> • performance, finance and risk reporting – including: <ul style="list-style-type: none"> - corporate plan objectives delivery - statutory performance compliance (for example, planning applications, freedom of information requests) • national reporting, for example Adult Social Care Outcomes Framework (ASCOF) • savings / medium-term financial strategy (MTFS) delivery • complaints • corporate health indicators (for example, staff turnover, grievances) • staff / resident surveys • contribute to review of internal controls/ annual governance statement • consider / respond to internal / external audit annual opinions / reports 	<p>Corporate programme / project management</p> <ul style="list-style-type: none"> • Golden triangle meetings • Monitoring officer with Section 151 officer <ul style="list-style-type: none"> - scheme of delegation • Senior information risk owner / Caldicott guardian <ul style="list-style-type: none"> - designated responsibility for information governance / protection of confidentiality of health and care information / ensuring proper use
<p>Monitoring officer</p> <ul style="list-style-type: none"> • responsible for / regularly review constitution – consistency with legislation / best practice • oversight of arrangements for member decision-making – compliance with constitution / legislation and scrutiny (working with democratic services) • principal adviser to standards committee 	<p>Section 151 officer</p> <ul style="list-style-type: none"> • oversight of financial affairs to ensure proper administration (including budget-setting / budgetary controls, counter fraud policy, procurement processes) 	<p>Head of internal audit</p> <ul style="list-style-type: none"> • prepare/ implement annual internal audit plan • audit governance / risk / controls / policies / processes / reporting • internal audit quality assurance and improvement programme 	

20



What do councils do to assure themselves? – internal actions (plain text)

Corporate directors - operational delivery, benchmarking, clienting

- Directorate assurance statements
- Project / programme
- Management
- Data quality assurance
- Performance appraisals
- Ensure appropriate governance and reviews of joint ventures / local authority trading companies / partnerships
- performance / finance / risk reporting, including:
 - corporate plan objectives delivery
 - statutory performance compliance (for example planning applications, Freedom of information requests)
 - national reporting (for example)
 - Adult Social Care Outcomes Framework (ASCOF)
 - savings delivery
 - complaints
- internal audit advice
- children's / adults safeguarding boards
- consultation / engagement
- training / compliance with policies / processes (for example, procurement)

Head of paid service

- review corporate performance reporting to inform actions to ensure appropriate number, grades, organisation, management of staff for discharge of functions
- ensure appropriately senior / skilled staff employed, including for:
 - risk management
 - health and safety
 - emergency planning
- ensure appropriate person leads review of controls, consistent with CIPFA / Solace guidance
- adopt / review whistleblowing policy

Corporate management team - operational and strategic delivery (including benchmarking)

- performance, finance and risk reporting - including:
 - corporate plan objectives delivery
 - statutory performance compliance (for example, planning applications, freedom of information requests)
 - national reporting, for example, Adult Social Care Outcomes Framework (ASCOF)
 - savings / medium-term financial strategy (MTFS) delivery
 - complaints
 - corporate health indicators (for example, staff turnover, grievances)
 - staff / resident surveys
- contribute to review of internal controls/ annual governance statement
- consider / respond to internal / external audit annual opinions / reports

Corporate programme / project management

- 'Golden triangle' meetings
- Monitoring officer with Section 151 officer
 - scheme of delegation

Senior information risk owner / Caldicott guardian

- designated responsibility for information governance / protection of confidentiality of health and care information / ensuring proper use

Monitoring officer

- responsible for / regularly review constitution - consistency with legislation / best practice
- oversight of arrangements for member decision-making - compliance with constitution / legislation and scrutiny (working with democratic services)
- principal adviser to standards committee

Section 151 officer

- oversight of financial affairs to ensure proper administration including budget-setting / budgetary controls, counter fraud policy, procurement processes)

Head of internal audit

- prepare/ implement annual internal audit plan
- audit governance / risk / controls / policies / processes / reporting
- internal audit quality assurance and improvement programme

21



Where and how are councils accountable publicly?

English Devolution Accountability Framework (combined authorities)

Committee with delegated responsibility for governance

- reviews / challenges / approves annual governance statement (chief executive / lead member are accountable as signatories to statement)

Audit committee (statutory for combined authorities only)

- annual report to full council, including results of annual assessment
- internal auditor's annual report
- external auditor's annual report and opinion (accounts and value for money judgement)

Overview and scrutiny - holds executive to account for decisions and actions that affect communities

Full council / those charged with governance

- ultimate accountability for governance and non-executive functions
- considers public interest reports, statutory recommendations, advisory notices from external audit
- agrees annual budget and medium term financial strategy, treasury management strategy

Media / residents / businesses – can hold council to account through:

- attending public decision-making / scrutiny meetings
- complaints / redress schemes
- rights to ask auditor questions / raise objections
- informed by access to member decision-making reports, forward plan, documents published in accordance with Local Government Transparency Code (2015), Public Sector Equality Duty, freedom of information requests, Environmental Information Regulations (2004), subject access requests

Local elections
Informed by manifestos

Performance reports to committee / executive

- delivery against targets
- delivery against standards/ benchmarks

Reports of ombudsmen / inspectors / regulators

- Local Government and Social Care Ombudsman / Housing Ombudsman decisions, letters, reports
- Ofsted
- Care Quality Commission (CQC)
- HM Inspectorate of Probation
- Building Safety Regulator
- Equality and Human Rights Commission (EHRC)
- Social Housing Regulator
- Information Commissioner

Government intervention

- Oflog
- planning designation
- best value non-statutory / statutory
- adult social care
- children's social care – improvement notice / statutory direction

Parliamentary select committees

Judicial system

- civil / criminal litigation
- judicial review

22

11

Local Government Association

Where and how are councils accountable publicly? (Plain text)

English Devolution Accountability Framework (combined authorities)

<p>Committee with delegated responsibility for governance</p> <ul style="list-style-type: none"> reviews / challenges / approves annual governance statement (chief executive / lead member are accountable as signatories to statement) 	<p>Media / residents / businesses - can hold council to account through:</p> <ul style="list-style-type: none"> attending public decision-making / scrutiny meetings complaints / redress schemes rights to ask auditor questions / raise objections informed by access to member decision-making reports, forward plan, documents published in accordance with Local Government Transparency Code (2015), Public Sector Equality Duty, freedom of information requests, Environmental Information Regulations (2004), subject access requests 	<p>Reports of ombudsmen / inspectors / regulators</p> <ul style="list-style-type: none"> Local Government and Social Care Ombudsman / Housing Ombudsman / decisions, letters, reports Ofsted Care Quality Commission (CQC) HM Inspectorate of Probation Building Safety Regulator Equality and Human Rights Commission (EHRC) Social Housing Regulator Information Commissioner
<p>Audit committee (statutory for combined authorities only)</p> <ul style="list-style-type: none"> annual report to full council, including results of annual assessment Internal auditor's annual report external auditor's annual report and opinion (accounts and value for money judgement) 	<p>Local elections</p> <ul style="list-style-type: none"> Informed by manifestos 	<p>Government intervention</p> <ul style="list-style-type: none"> Oflog planning designation best value non-statutory / statutory adult social care children's social care - improvement notice / statutory direction
<p>Overview and scrutiny</p> <ul style="list-style-type: none"> Holds executive to account for decisions and actions that affect communities 	<p>Performance reports to committee / executive</p> <ul style="list-style-type: none"> delivery against targets delivery against standards/ benchmarks 	<p>Parliamentary select committees</p> <p>Judicial system</p> <ul style="list-style-type: none"> civil/ criminal litigation judicial review
<p>Full council / those charged with governance</p> <ul style="list-style-type: none"> ultimate accountability for governance and non-executive functions considers public interest reports, statutory recommendations, advisory notices from external audit agrees annual budget and medium term financial strategy, treasury management strategy 		

23

Local Government Association

Governance & Assurance: Key organisational components

- **‘Golden triangle’** - Head of paid service, monitoring officer and s.151 officer
- Corporate management team and individual directors
- Head of Internal Audit
- Head of democratic services

Key processes:

- management of risk
- financial management
- information management
- performance management
- production of key strategies and plans

The Statutory Roles of the Golden Triangle
 Each member of the golden triangle has statutory responsibilities relating to ensuring the council acts lawfully. What does this mean for the relationship between members and those officers?

24

 **Governance & Assurance:
Member side**

Key bodies/committees

- Full council
- Executive or Policy and Resources Committee
- Overview and Scrutiny committees
- Audit committee
- Standards committee
- Committee with delegated responsibility for governance

Each of these bodies/committees has their specific role in governance and assurance

Annual governance statements

- Assesses fitness for purpose of governance framework
- Includes areas for improvement
- Reviewed by Audit Committee
- Signed off by Leader & chief executive

25

 **What does 'good' look like?
draft LGA guidance**

- Visible/ collective ownership and leadership of good governance at senior political and managerial levels
- Everyone – including wider stakeholders – understands their contribution to assurance
- A learning organisation: self-awareness, open to challenge
- Assurance as a constant management process, not a one-off event
- Assurance activity increases as risk increases
- Assurance supports achievement of priority outcomes
- Good communication with the public on performance and how they can contribute to holding the council to account
- Regional/ sub-regional/ national oversight, challenge and support

www.local.gov.uk

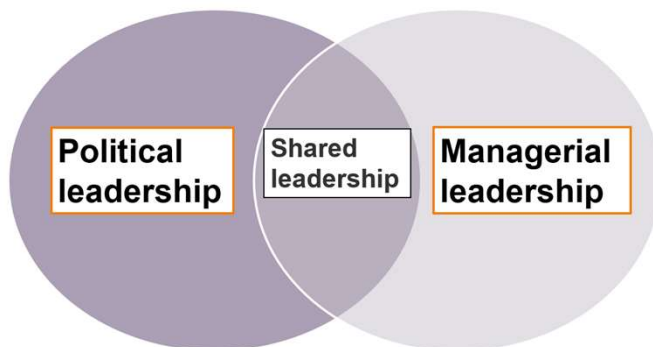
26



Leadership of governance and assurance

27

Political and managerial leadership of governance and assurance



What does leadership by councillors in governance and assurance involve?

28



**Who 'owns' member leadership of
governance and assurance?
Who is responsible?**

29



**Good governance is everybody's
business**

30

Political leadership of governance and assurance

- Role modelling, 'signalling' the importance of good governance and assurance in everyday actions, behaviour and relationships
 - Ensuring good level of general knowledge across members of their roles in governance and assurance and its importance (ensuring take-up of member induction and training)
 - Encouraging and actively supporting a culture where constructive challenge is welcomed
 - Key bodies well supported and working effectively e.g. Overview and Scrutiny, Audit committee, governance committee, with strong and effective chairs
 - Key processes have good level of member oversight e.g. annual review of effectiveness of governance
 - Appropriately seeking assurance that the officer side is robust and working well
-

31

(Potential) indicators of poor governance

- Ineffective overview and scrutiny function
 - Ineffective audit committee
 - Ineffective chairs for the above committees
 - Churn in senior officer posts e.g. s.151, monitoring officer, succession of 'interim' directors
 - 'Unexpected' poor inspection / audit results
 - Poor or no member training during and/or after induction
 - Lack of understanding and knowledge amongst members of governance and assurance
 - An absence of a clear, robust performance management framework and processes
 - Absence of clear and appropriate governance and assurance systems for partnerships / council owned companies
 - A culture where challenge and questioning is discouraged
 - A culture where governance and assurance is viewed largely as an officer task
 - A culture where non-compliance is accepted
 - Inward-focused, with a lack of self-awareness/ external challenge
-

32

How to show leadership of governance? Some examples...

Essex County

- Leader's role is to challenge & reinforce good governance
- Deputy leader has specific accountability for corporate governance
- Range of member bodies involved in governance and assurance
- Essex positions itself as a learning organisation

NW Leicestershire

- Cross-party working group leads annual review of the constitution
- Council Plan agreed for 2023-28, with 18 Key Performance Indicators
- Scrutiny has important role in performance management – encouragement of early involvement of scrutiny
- Audit and Governance Committee undertakes 'bitesize' training in advance of each meeting
- Another CPC planned for June 2024

33

Wiltshire Council

- Cabinet Tracker to ensure effective oversight and proper sign off of cabinet reports
- Leader requires all reports to be ready for review a month in advance
- Emphasis on pre-decision scrutiny
- Council lays emphasis on ensuring good governance and assurance of council owned companies

34



Good governance: sharing your best practice

What examples of good practice on the member side have been developed in your councils?

We would welcome your examples and ideas. Please use the chat.

35



Governance and Assurance of Partnerships

- Updated **Local authority company review guidance** published in 2023 by Local Partnerships
- A toolkit for undertaking strategic and governance reviews of wholly or partly owned council commercial entities
- Emphasises good processes needed to:
 - Assess whether a company approach is the best option
 - How to effectively plan and approve the establishment of a company
 - Setting up effective governance arrangements for the companies themselves
 - Ensuring councils have effective governance arrangement for council oversight of companies

'This guidance can be used as a tool to help councils ensure that they strike an appropriate balance between allowing a company the freedom to manage its activities and ensuring that it is accountable for its actions'

36



Embedding a culture of good governance and assurance

If you could take ONE action to enhance member leadership on governance and assurance in your council, what would it be?

We would welcome your examples and ideas. Please use the chat.

37



Support from the LGA

38

LGA Support

- Leadership development programmes –
 - [Leadership Academy](#)
 - [Leadership Essentials](#) (including financial governance)
 - [Workbooks](#) and [e-learning](#)
 - Benchmarking information available through [LG Inform](#)
 - Training and guidance by the [Centre for Governance and Scrutiny](#)
 - Support through [political group offices](#) and [regional teams](#) (member peers and officers) – including mentoring for Leaders/ Chairs/ Portfolio Holders
-

39

LGA Support: Your Views

1. What support would you welcome from the LGA in this area?
2. What should the LGA prioritise?
3. Are there any future needs you would anticipate?

We would welcome your ideas and comments.
Please use the chat.

40

Sources of Further Information

- [Draft improvement and assurance framework for local government](#) (LGA, 2023)
 - [Delivering good governance in local government: framework](#) (CIPFA/ SOLACE 2016)
 - [Local Authority Company Review Guidance](#) (Local Partnerships, 2023)
 - [Local Authority Governance](#) (National Audit Office report, 2019)
-

41

Questions & answers

42



Final thoughts & Reflection

43



Final thoughts

- Good governance is everyone's business
 - Governance and assurance require compliance with processes **and** the right behaviours
 - Culture and behaviours are led from the top (political and managerial leadership)
 - Investment in robust governance and assurance structures and processes will mitigate the risk of operating in challenging times
-

44

Reflection

1. What have been my key learning points from the webinar?
2. What actions will I take on the basis of the webinar?

Please then complete the survey. The link is in the chat. Thank you.

45

Contact details

Heather Wills
Principal Adviser (Finance and Governance)
LGA
heather.wills@local.gov.uk

46